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Daily Report
East Europe

FBIS-EEU-96-020 *30 January 1996*

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Bulgaria: Videnov Thanks Yeltsin for Free Weapons

AU3001085296 Sofia Khorizont Radio Network in Bulgarian 1800 GMT 29 Jan 96

[FBIS Translated Text] Prime Minister Zhan Videnov has sent a letter to Russian President Boris Yeltsin, in which he gives thanks for the significant quantity of military equipment that has been given to Bulgaria free of charge. The letter points out that this manifestation of military-technical cooperation, which is unique in East Europe, is considered an expression of high confidence and partnership between Russia and Bulgaria.

Hope is expressed that the joint implementation of the infrastructure projects in the power supply, telecommunications, transportation, and other areas, will contribute to further developing cooperation.

Bulgaria: Yeltsin Invites Videnov To Visit Russia

AU2901154896 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 29 Jan 96

[FBIS Translated Text] Russian President Boris Yeltsin has invited Bulgarian Prime Minister Zhan Videnov to visit Russia at a time convenient to him, government spokesman Nikola Baltov announced today.

The invitation was extended during a 30-minute private talk between Boris Yeltsin and National Assembly Chairman Blagovest Sendov.

At the present time, we have no other information on Academician Sendov's visit, the spokesman said. The announcement on the meeting between Sendov and Yeltsin and on the invitation was issued by the Russian Embassy in Sofia.

Bulgaria: Delay in Developing Serbian Ties Questioned

AU2901175096 Sofia NOVINI PLYUS in Bulgarian No. 4, 27 Jan 96 p 9

[Article by Lyudmila Vangelova: "We Have Embraced Bosnia, So Why Do We Not Recognize Belgrade?"]

[FBIS Translated Text] Bulgaria should establish a permanent diplomatic presence in Bosnia-Herzegovina as soon as possible, Deputy Foreign Minister Ivan Khristov, a member of President Zhelev's delegation that visited Zagreb and Sarajevo, told correspondents a few days ago. Now this phrase "as soon as possible" has been converted into a real deadline—at the beginning of February, our future representative in Sarajevo (who, for the time being, will be a charge d'affaires ad interim) will set off to familiarize himself with the situation there. In the first instance, the mission will be located in Zagreb, but the new charge has the ambition to open an embassy in Sarajevo itself as soon as possible.

On this occasion, both the government and the presidency acted with amazing promptness, bearing in mind that we established relations with Bosnia-Herzegovina only on 11 January. Contrary to all expectations, this was achieved by consensus between the two institutions. The same cannot be claimed regarding our relations with Serbia. In Belgrade, we still have a temporary charge d'affaires, and no one knows how long he will remain there, despite the fact that the two government decisions—on establishing diplomatic relations with Bosnia-Herzegovina and on restoring our representation in the Serbian capital to its former level—were adopted at the same time, namely during December 1995.

In making his recent visit to Zagreb and Sarajevo, President Zhelev turned his back on Serbia. We undoubtedly do have interests in Croatia, but whereas these are more or less of a temporary nature, being connected with the projects and commissions that we may get in the postwar reconstruction of the region, our interests in Belgrade are twice as important, because they are more permanent and hold out greater prospects. It is not healthy for us to turn our backs and ignore Serbia, diplomats assert, noting, at the very least, that with the ending of the war the principal land routes that link us with Europe will cross Serbia, whether we like it or not.

When, in 15 January 1992, we loudly announced our recognition of Bosnia-Herzegovina, Croatia, Slovenia, and Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], not a word was mentioned about Serbia. What is more, in September of the same year, the president recalled our ambassador from Belgrade and reduced the rank of our representative there to charge d'affaires. Since that time, Bulgaria has pretended that Serbia does not exist. We do not officially recognize the Republic of Serbia and Montenegro, but no one states officially that we do not recognize it. In diplomacy, this is called the principle of tacit consent. Now, by our decision to send an ambassador there again, we are finally, but tacitly, recognizing the republic. With one ear, so to speak, turned toward 1 Dondukov Boulevard, [the Presidency] and the other turned toward No. 2 Dondukov Boulevard, [the Council of Ministers] a strategic silence continues to be maintained on the question, indicating that the viewpoint held by former Foreign Minister Stoyan Ganev is still very much in favor. Many will recall how he was infuriated at the decision to recognize Macedonia and is said to have remarked on that occasion: "You want me to establish relations with these Communists and Serbian toadies." Today, because of the Serbian embargo, we continue to

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plod along at the end of the Balkan queue, while these selfsame "Serb Communists," despite the embargo, eat cheap bread and bananas and receive average wages of up to $400 per month.

Bulgaria: BSP's Marinov Views 'Crisis of Confidence'

AU2901160296 Sofia 168 CHASA in Bulgarian 22-28 Jan 96 p 15

[Interview with Aleksandur Marinov, chairman of the BSP Sofia City Organization, by Karmelita Deneva; place and date not given: "Lilov Is the Man, BSP Sofia Boss Says"]

[FBIS Translated Excerpt] [Deneva] Mr. Marinov, do you expect a new prime minister by the end of the year?

[Marinov] If I would say that this is not impossible, it would immediately appear that I want to topple Videnov. Let me answer in the following way: A party must grade its values, especially if it is a ruling party. Implementing the party's policy and preserving the people's confidence must be the supreme value. I do not say that the people must be pushed around and frequently replaced. However, changes are possible and they do not mean anybody's political death. We are not doomed. I think that the people who entered the field of politics five years ago will not allow the destruction of their achievements in which they invested so much efforts.

[Deneva] Nevertheless, will Videnov survive as prime minister and Bulgarian Socialist Party [BSP] leader?

[Marinov] In politics, there are various ways in which things could be said, and various moments when this could be done. You are asking me a direct question, and I have difficulties answering it in a correct manner. He will survive if he makes very serious changes in everything—in his behavior, work with ministers and officials, and relations with everyone.

[Deneva] You declared publicly that additional changes in the cabinet are imminent in addition to the two already known resignations. What is the source of this categorical position?

[Marinov] The discussion related to the party's first year in power did not end with the two resignations. The discussion has just started, and it will continue until the end of February. One thing is already clear: The left must improve its efficiency in ruling the country. This involves, first of all, an analysis of its policy until now, and second, the necessity of effecting structural changes. Only then could the personnel changes become topical. In principle, I am against focusing on the ministers' personalities. [passage omitted]

[Deneva] Is there a crisis of confidence in the ruling party?

[Marinov] I think that symptoms of a crisis, rather than a full-fledged crisis are evident. If the crisis indeed develops, it will be very difficult to overcome it. Therefore, it is important to adopt energetic measures within a month or two.

[Deneva] What are the causes of the crisis?

[Marinov] I think that there are three reasons. First, there are the results of our ruling. Despite the fact that 1995 was not a bad year, it must be clear that a part of the results were the outcome of the inertia process in the economy. However, the people are living worse now. January greeted them with the shock of a new price increase and taxes. The people want to see at least a slight change for the better if not a thorough breakthrough. The second reason is that we missed the chance of conducting unpopular but inevitable measures. The third is that, as a ruling party, the BSP has increasing difficulties in proving its leftist identity. [passage omitted]

[Deneva] Is there a conflict between you and Videnov?

[Marinov] There are no major reasons for a conflict between us. The fact that we do not get along is a different matter. This is probably a consequence of the fact that various people convinced him that I am rival and a competitor for his post. I also cannot accept the fact that he does not tolerate criticism. If people at our level do not encourage frankness, they doom their own political force.

[Deneva] Before the last congress, you criticized Videnov fiercely, but at the congress itself, you lost.

[Marinov] I never wanted to be the party chairman. I wanted to express a certain position, but things were twisted. The need to have a discussion was replaced by the issue that Sasho Marinov wants to topple Videnov. [passage omitted]

[Deneva] Immediately after the first round of the municipal elections, you criticized the government for not helping you in the battle. Did you actually want to parry the blow against yourself?

[Marinov] This was a risky step, because many people interpreted it in the way you are interpreting it. However, my intention was different. I wanted to stir the cabinet's activity, and indeed, there was a significant difference in the second round. [passage omitted]

[Deneva] You launched the idea of having an inner party referendum aimed at determining your candidate

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for the presidential elections, and, at the same time, you announced your candidate—Aleksandur Lilov.

[Marinov] This is true. The president must be a politician of a high caliber. Lilov is precisely such a politician. There is no reason why his candidacy should not be discussed. Whether he wants to be president is a different issue.

[Deneva] Is Lilov really the ideal candidate for the post of president?

[Marinov] If I could combine the qualities of Lilov, Blagovest Sendov [National Assembly chairman], Nikolay Kamov [chairman of the National Assembly Commission on National Security], and Georgi Pirinski [foreign minister] in one person, I would certainly support him. However, Frankenstein experiments in medicine or politics do not lead toward anything good. Therefore, it must be assessed what qualities of the candidate president and vice president are best for the election campaign, and then build the campaign around them. [passage omitted]

Bulgaria: SDS Reveals Plans To Topple Videnov

AU2901174596 Sofia 24 CHASA in Bulgarian 20 Jan 96 p 11

[Interview with Aleksandur Bozhkov, deputy chairman of SDS National Coordinating Council and National Assembly deputy, by Aneliya Velinova; place and date not given: "SDS Knows How To Topple Videnov"]

[FBIS Translated Text] [Velinova] Mr. Bozhkov, can the SDS [Union of Democratic Forces] provoke a parliamentary crisis and early elections?

[Bozhkov] We will. Early elections will take place when confidence in the BSP [Bulgarian Socialist Party] has fallen low enough to offer a good guarantee for our election success. The problem is not so much to provoke early elections as to win them. We have to ensure that confidence in Videnov falls so low that his own party withdraws its support.

[Velinova] How will this come about?

[Bozhkov] With much work. We have already started and will be stepping up our efforts. As in the grain affair, we will be providing concrete figures, names, and information to prove that they are to blame for the steadily deteriorating situation in Bulgaria.

[Velinova] Is this your main aim—to topple the government?

[Bozhkov] Our main goal is to win power. Like any other responsible political force, we do not like being in opposition. We have a program for governing the country and want to implement it. The BSP government is not only unprofessional, but it is deliberately robbing the country. To get things moving, we must win back power.

[Velinova] When do you predict that this will be?

[Bozhkov] One should not underestimate the presidential elections. They are not the most important ones, because we are not a presidential republic, but, when they occur, they will inevitably be at the center of attention. In the coming months we expect the situation with bread and feed grain to worsen and the same is true of the serious situation in the banking system. The transformation of the banks into hollow structures cannot last forever. There will also be difficulties with the foreign debt payments. The Bulgarian National Bank will find it difficult to provide funds for this and this may eventually lead to a loss of control over the dollar rate and a probable sharp rise in inflation.

[Velinova] Will your attacks be aimed at these areas?

[Bozhkov] According to our information, the area sown with grain is very small, so a bread shortage will arise. This will turn all the people against those in power. We expect mass privatization to produce disappointing results and prove to be a long drawn-out process. The first auctions may be held in September at the earliest, though I believe they will be later. When the information appears on the companies offered for sale, people will be very disappointed. Of course, I do not advise anyone not to collect his or her vouchers, because these 1,000 plants must not be left in the possession of a handful of people. Shocks are also expected in the Bulgarian National Bank in connection with the change of governor.

[Velinova] What does all this show?

[Bozhkov] That the cabinet's possibilities are very restricted. The cabinet will not have many moves to make to escape the crisis.

[Velinova] Will you topple the cabinet with no-confidence votes?

[Bozhkov] We may move a series of votes on various serious problems.

[Velinova] Such as those that you have mentioned?

[Bozhkov] Yes, these, but also on the problems concerning Topenergy and Bulfon; then, of course, there is the huge problem of crime, which will need very careful preparation. We will overthrow the cabinet either by moving votes or by launching a total attack, striking a massive blow at a particular moment.

[Velinova] What form will this total attack assume?

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[Bozhkov] No general, politician, or businessman ever reveals his plans to the press before he launches his attack.

[Velinova] If another opposition force decides to seek a vote of no confidence, will the SDS support it?

[Bozhkov] If anyone in the opposition decides to propose such a motion, we will all have to agree among ourselves so as to avoid investing great efforts in petty enterprises.

[Velinova] Is the furor surrounding the no-confidence votes enough for you?

[Bozhkov] If the result is as in the grain affair, yes. If two or three ministers go after each of our votes, we will start proposing them more frequently.

[Velinova] Will it suit the SDS if the parliamentary crisis coincides with the presidential elections?

[Bozhkov] We are now entering the field of long-term political planning. If we weigh the presidential and parliamentary elections in the balance, we have to assess which will really bring change.

If the parliamentary elections are delayed for some time, then the presidential elections will be very important, because the BSP won both the last elections. Victory in the presidential elections will put them in a strong position and reinforce their government's self-confidence, whether it is the present government or some other one. If the presidential and parliamentary elections are held at dates close to each other, we will really have to decide when and where to throw our main forces into the fray. If one set of elections hampers the other, we will have to decide which is the more important.

[Velinova] At present, what may cause the government to fall?

[Bozhkov] Videnov himself made a big blunder in describing Orion as a circle of friends. This mistake alone may cost him his head. If the government is really so closely linked with an economic group, this represents a serious risk for Videnov personally.

[Velinova] Will this be the subject of your first attack?

[Bozhkov] This is merely one of our points of attack.

[Velinova] What can cause the greatest disturbance in parliament?

[Bozhkov] In my opinion, the continuation of Videnov's attitude toward the BSP deputies. He takes their support for granted, regards them with contempt, assigns them tasks, and directs their votes for this and that.

[Velinova] Do you think that this will change?

[Bozhkov] I do not think that the BSP group has forgotten Videnov's attitude to it, or the way in which he ties their hands. Moreover, democracy is an infectious thing and even infects BSP deputies.

Bulgaria: Dogan Says DPS Voters Will Back Zhelev

AU2901171796 Sofia STANDART NEWS in Bulgarian 20 Jan 96 pp 12-13

[Interview with Ahmed Dogan, DPS leader, by Stanimir Nenov; place and date not given: "Our Voters Will Support Dr. Zhelev, We Have No Other Candidate"]

[FBIS Translated Excerpt] [Nenov] Why did the Rights and Freedoms Movement [DPS] decide to form its own privatization fund?

[Dogan] Who said that we will form our own privatization fund? I am amazed to read newspapers' reports and analyses that attribute to us various draft decisions and strategies leading toward forming ethnic funds in the country. The truth is that the issue of forming an investment fund has not been discussed at all by the DPS Central Council. Whether there will be two, three, four, or more funds is an issue that depends on the structure of the relevant regions and the common interest not only of our voters, but of the united opposition. Our idea is to form collective funds, which will serve as models in our country's market economy. [passage omitted]

[Nenov] Are you not afraid that forming a privatization fund will create a new protest wave against the DPS?

[Dogan] I want to stress that we do not intend to form ethnic or party funds. We will approach the matter in a rational manner, and we must determine toward what fund to direct our attention, naturally, on the basis of the market economy. The management of those funds must be in very reliable hands, because great financial means will be involved. We still have not decided on the matter, and there already are organizations that are against us. [passage omitted]

[Nenov] What enterprises will interest you most?

[Dogan] We will be interested in enterprises in which our voters in the relevant regions are employed. It is our voters who will determine what enterprise should interest us. Naturally, they must have an acceptable economic balance. The food and tobacco industries interest us. However, we will decide the issue after we draw up a list of our investment funds and determine the interest of the citizens.

[Nenov] It has been said that the DPS privatization fund is related to Multigroup, through which you want to emerge on the fund markets....

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[Dogan] At this stage, we have no talks with Multigroup. I read in the newspapers that we have received millions for such funds. This is not true. We still are not clear as to what the formula of the funds will be.

[Nenov] Will the DPS nominate its own candidate for president?

[Dogan] The DPS does not intend to nominate its own candidate. I hope very much that the united opposition will have a clear position on this matter and will nominate a uniform candidate. I would like to say the following: Dr. Zhelev enjoys exceptional authority among our voters, and we have no other candidate. Even if we decide to support another candidate, our voters will nevertheless vote for Dr. Zhelev. I hope that, in the next few months, the united opposition will nominate a uniform presidential candidate. [passage omitted]

[Nenov] What are the basic goals of the leader Ahmed Dogan in 1996?

[Dogan] The first thing that interests us all at the central and local levels are the preparations for the national conference. Naturally, this is an important party event. The forum will discuss the issue of renewing and updating the DPS program. The upcoming privatization is another goal. The party must, by all means, have a specific attitude to this issue. This does not mean that there should be party and ethnic privatization funds.

I am especially pleased with the unification of the DPS, Union of Democratic Forces, and People's Union. Real political processes began. The united opposition must, first of all, do everything possible to put a question mark over the Bulgarian Socialist Party [BSP] government. I do not mean to merely undermine the government. The opposition must prepare its own model for ruling the country.

The recent no-confidence vote prompted us to think that a process of disintegration has begun in the BSP and that different assessments are voiced within the party. This will inevitably lead not only toward various changes and political games, but also toward something more serious. I am certain that the grain affair is only the beginning, because there is a great contradiction between the promises made by the BSP and the reality. I think that the opposition has a real chance to not only correct the membership of the cabinet, but topple the government. Perhaps this should be a lesson regarding the behavior of rulers who present social policy in a priority place in their election campaign. [passage omitted]

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Slovakia: HZDS Weekly Counters U.S. Criticism

AU2901142696 Bratislava EXTRA in Slovak 25 Jan 96 No 4 p 3

[Article by Julius Handzarik: "That Is All! Further Slaps in the Face and Blows Below the Belt"]

[FBIS Translated Text] The United States demands only three things of Slovakia: political stability, a democratic system, and a market economy. "That is all!" This is roughly what Roman Kovac [former deputy prime minister and now deputy chairman of the Democratic Union] told Slovak Radio listeners after his return from a friendly visit to the United States in May 1993.

Alas, this was far from everything. Visits to the United States continued, and, after each of them, new objections and warnings came to Slovakia. A year later, Mr. Leopold Danihels, president of the World Congress of Slovaks, faxed the following matter-of-fact and wise statement in reaction to the U.S. visit by another Kovac from Slovakia: "I regret that, in the same way that, in the old days, our Slovaks used to have to go to Moscow from their native land, now they all want to go to Washington. When someone goes there in pursuit of something reasonable, for business or education, it is okay! But discussions and lamentations and, at times, even invectives and begging for money do not make a good impression.... Why did I not participate in this trip? I repeat: We have not been invited, neither I nor the World Congress of Slovaks. This is why we did not travel there. No comment, please!" [preceding three words in English]

Alas, even that was not everything. Certain political assistants [adlatosi] from Slovakia travel abroad regularly and act there according to their own interests, so that the friendly slaps in the face and blows below the belt can repeat themselves with the regularity of steam-hammer strokes. For the fall of 1995, they had ordered there further slaps in the face and blows below the belt, which descended upon Slovakia, this time, in the form of friendly demarches and resolutions.

Although the citizens of the Slovak Republic know the gist of these "problems" very well, in this case many of them realized that this no longer is a game for "peanuts" and let themselves be heard. Some are still advising us, in a somewhat fatalistic manner, that we should not pay heed to the criticism because we know the situation in our state the best. Others are saying diplomatically that, even though these are serious expressions of concern, they need not be exaggerated and dramatized. And there is also a third group, made up of the originators of these provocations and their ideological or power mercenaries, who are enthusiastic. They are bowing their heads importantly, are threatening us, no longer just with their finger but with their fist, and are bursting into orgiastic exclamations of sadomasochistic ecstasy. Not just at home but, first and foremost, in fraternal and nonfraternal foreign countries, where the natives cannot verify in any way the figments of imagination of our Magyarophiles and Czechophiles [madaronov a cechunov], which expands the scope for their wild media phantasmagorias. It suffices to name just one of these figments of imagination—Karol Wolf's article in the fraternal MLADA FRONTA DNES of 20 November 1995, headlined "Slovakia Versus Democratic World," in which this "Slovak" rejoiced as follows over the latest Council of Europe resolution: "The question arises whether Slovakia still has the right to seek integration into European structures or, respectively, whether it is even still interested in it. In the community of democratic countries there is no place for countries that are led by political forces that are incapable of clearly and comprehensibly rejecting such a scandalous statement (reference to the matter-of-fact, yet undiplomatic, statement by the Movement for a Democratic Slovakia [HZDS] spokesman—J.H.'s note)." In other words, Slovakia "Get out of Europe!," as the "Slovak" daily SME wrote at the same time with regard to another demarche. A touching consensus of views and interests, indeed!

The EU's November demarche [as published; the EU delivered its demarche to Prime Minister Meciar on 25 October 1995] was, however, joined by the United States, which expressed its concern over the state of democracy and society in the Slovak Republic. I have been reminded of this once again by a letter from a friend from the United States, which got into my hands with some delay. The letter is written by a Czech who had previously spent 10 years in Bratislava. He is a university professor who emigrated to the United States in 1960. He has been a naturalized American for many years and knows the situation there intimately. I am offering to the readers his private letter. By coincidence, it was written on 4 December—that is, before the start of the political upheavals in the United States that culminated in the month-long unpaid mandatory "leave" of almost 800,000 federal employees. If anyone in Slovakia tried to remove the president in this way and at this price, at the expense of the salaries of civil servants, a huge worldwide scandal would have been provoked.

But let us return to the friendly letter from the United States:

I have very fond memories of the brief but very pleasant stay in Bratislava. How quickly time passes. Next time I must spend the whole summer in Europe. To do that,

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however, I would have to retire, which is at odds with my threat to the administration that I will not retire even at 70 if they cut my salary 20 percent from next year. Because of our financial crisis, the whole faculty is threatened with pay cuts. The financial crisis is a general one, at both federal and state levels. People refuse to pay taxes, and the Republicans in Congress support them in it. They suppose that this is the best way of getting rid of the President. You must have read that all public services were suspended once for a week because the Federal Government did not have money to pay salaries.

Unfortunately, everything here is now even worse than before I went to Europe. The university does not have a final budget yet, and it refuses to pay for even official mail or telephone calls outside the United States. Everyone is waiting for salvation from our new dean. He will be having a hard time. The entire health-care system is I do not want to say where. The city is full of rumors about the "end of the world being nigh" because the university is the largest employer in the city, with over 10,000 employees, and there is talk about 2,000 lay-offs. The nurses across the street have already gone bankrupt, and the church hospital has also folded. We have something to look forward to until the next election in 1996. Everything is being privatized, social services are being scrapped, and the arts and sciences are also affected. Because of the limitation of state-financed medical services and support for the poor, fewer and fewer people can afford to see a doctor, and hospitals, too, are going bankrupt as a result. They are trying to save themselves by raising prices. Our younger son had his appendix removed, and they sent him a bill for $12,000. He refuses to pay that, as being overpriced, however. Hospitals are not getting money from many people. Everyone is going to court. In the end, the hospitals manage to recover some 40 percent of their bills. This is why, when they can expect to get their money, they charge outrageously expensive prices. But if they refused to accept a patient and he died, the physicians could be sued for homicide. And so hospitals are going bankrupt.

But there is no point in occupying your mind with all this. I know that you have many problems in Bratislava. Newspapers here write frequently about Slovakia, much more than about the Czech Republic, and most of it is very negative. I wanted to send you the copy of a long article entitled "Bratislava—Capital City of Gangsters," but then I told myself that, if the author is right, I should not enclose that article if I want the letter to arrive. It is interesting that, despite the negative reactions to the political situation, Slovakia is developing economically. Output is growing at an annual rate of about 5 percent, and, even if you deduct foreign investors' profits, you will achieve the 1989 living standards by 1998-99. If you produce cheaply, it may even be advantageous for Slovakia not to be accepted into the EU and not to be under the supervision of the Brussels bureaucracy. So far, EU membership has not paid off for either Austria or Sweden.

That is all! Everything that we know so intimately from our postrevolutionary situation is there—lack of funds for the fulfillment of the functions of the state, privatization of state property, the rich getting richer and the poor getting poorer, the bankruptcy of health care and education, and, above all, political intrigues, including efforts to remove the president at whatever cost and, above all, at the expense of ordinary citizens. However, the letter is not about small and impoverished Slovakia, but about our great and wealthy model, which reproaches us, democratically and with concern, for precisely those phenomena. Particularly touching are the naturalized American's observations about the continuous agitation by U.S. media against Slovakia and his fear of enclosing a copy of an inflammatory article because, if the author is right, the letter surely would not reach its Slovak addressee. There is some logic in that. Inexorable logic is also inherent in the direct connection the writer establishes between media agitation against the Slovak Republic and our economic interests and prospects. The author of the letter really is a top expert.

This makes his prognosis that our grandchildren will lead completely different lives even more moving. This seems to be an echo from the lower drawers of this elderly gentleman's memory (he spent most of his life in "socialist" Czechoslovakia). Forty years of the oft-repeated argument from that period—Keep your mouths shut and stick it out because you are building a happy future for your children—must have had their impact on him, just as on us, his peers in Slovakia.

No comment, please! [preceding three words in English]—a proper diplomat would say. But because I am not a diplomat, I, as a citizen, will dare put to the highest legislative and executive bodies of our democratic state a polite but urgent question: Esteemed elected and appointed representatives of the Slovak Republic, how much longer will you permit all kinds of political adventurers and janissaries to slander the democratic Slovak Republic abroad with impunity and, thereby, permit them to evidently damage the vital interests of all citizens of this state and postpone their hopeful prospects somewhere beyond the year 2000 or make them dwindle?

Being "clement" or diffident in these matters only means failure to fulfill your basic duties and will backfire

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ruthlessly against all citizens of our state and, first and foremost, against you!

Slovakia: MOS Criticizes Meciar Visit to FRY

AU2901170496 Bratislava SME in Slovak 26 Jan 96 p 3

[Report by "sp": "Hungarian Civic Party Criticizes Vladimir Meciar's Visit to the FRY"]

[FBIS Translated Text] "We qualify the idea of combining the vote on the Slovak-Hungarian treaty with a vote on confidence in the Government of the Slovak Republic as the prime minister's pressure on opposition parties. Even though I am convinced that the treaty is advantageous, it is, first and foremost, the government that bears responsibility for it," Hungarian Civic Party [MOS] Chairman Laszlo Nagy said yesterday. Commenting on Prime Minister Vladimir Meciar's forthcoming visit to the FRY, MOS Deputy Chairman Laszlo Gyurovszky said: "Yugoslavia is a country with established censorship. It is a country in which the activity of political parties is restricted. Yugoslavia is a country that waged war against its own citizens. During his visit, Slovak Prime Minister Vladimir Meciar is to sign an agreement on cultural cooperation. I cannot imagine in what this cooperation with a state in which political rights are restricted is supposed to dwell."

Slovakia: Coexistence Movement May Hold National Rally

LD2901195596 Budapest Duna TV in Hungarian 1700 GMT 29 Jan 96

[FBIS Translated Text] The National Council of the Slovak Coexistence Political Movement held a meeting over the past weekend. The body called upon the Slovak Government to have the European Charter of Self-Governments ratified as soon as possible and held out the prospect of another national rally for mayors and local government councillors.

The Slovak Government's plan on a new territorial and administrative division of Slovakia not only ignores the demands formulated in Komarno in 1993, but is also directly aimed against the establishment of the Hungarian community's self-administration [oenkormanyzat]. This is why it is necessary to convene a professional conference for our mayors, and it is also possible to organize another mass rally, the statement by Coexistence reads.

Another important matter discussed at the meeting was the use of minority languages. Coexistence supports every local government initiative that is aimed at strengthening the Hungarian community's language self-awareness and the protection of the mother tongue. Simultaneously with the issuing of the Coexistence statement, the town of Samorin passed a general resolution, according to which the town's residents can chose the language in which they can better express themselves, either in words or writing, in official relations. The town of 12,000 residents near Bratislava is the third town or village in Slovakia to have passed such a resolution. Further towns and villages are planning to take similar steps.

Slovakia: Chnoupek, Sestak Discuss Foreign Affairs

AU2901124796 Bratislava NOVE SLOVO BEZ RESPEKTU in Slovak No 51/52, 1995, No 1, 1996

["Abridged transcript" in two installments of discussion with Bohuslav Chnoupek, former Czechoslovak minister of foreign affairs, and Jozef Sestak, state secretary at the Slovak Ministry of Foreign Affairs, in Bratislava on 29 November 1995, in the "NOVE SLOVO Club" rubric, "recorded" by Anna Lenicka: "Hot Peace"]

[No 51/52, 1995 pp 62-63]

[FBIS Translated Text] Who would not want to peek underneath the makeup of the future, to see what is hidden under its discreet layer? Can it paper over the wrinkled face, rashes, or ulcers of the time that we are living in...? What is Slovakia in for, and what should bypass it? Where is one to look for the answers? Can they be found without looking into the eyes of the past and present of our foreign policy? To find this out, we invited to the NOVE SLOVO Club Bohuslav Chnoupek, who shaped foreign policy for more than two decades in the post of Czechoslovak minister of foreign affairs, and Jozef Sestak, state secretary at the Ministry of Foreign Affairs of the Slovak Republic. We are offering you an abridged transcript of this undoubtedly interesting discussion, made more palatable by an excellent cabbage soup, in the course of which sparks flew occasionally and voices of disagreement were voiced from time to time.

B. Chnoupek: From what did I proceed when I coined the phrase about three years ago—a formulation I have no reason to revise today—that the Cold War has been supplanted by hot peace? From comparisons, as is proper, and from phenomena of which I was a witness. First and foremost, from the Paris Charter of 1990, in which the heads of European states, the United States, and Canada pledged that Europe would be stable and democratic in the near future and that peace would set in here. But what have we seen in the past two or three years? Nothing of the sort. The situation has been, I think, more unsettled and shakier than it was before, which is, in a certain way, paradoxical, but also logical. Because after dramatic changes and historic events in

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the lives of the present and past civilizations, there have always been periods and situations full of chaos and instability. Previous laws cease to be valid and new once have yet to be formulated. In the sphere of foreign policy, all kinds of phenomena take place that are not customary in times of deep stability.

Naturally, the most interesting issues were those of the disarmament process, which determined stability in the world and which was lame in one of its legs. The Final Act of the Conference on Security and Cooperation in Europe ceased to be valid. Its new version was approved in Budapest only four years later. The socialist countries collapsed or were partly liquidated, particularly the Soviet Union. Experts are arguing to this day about whether the chaotic situation there is a continuation of the revolution. Not even the best astrologist can foresee what will happen there. I myself do not dare make any prediction. It might happen that Yeltsin will acquire a peculiar craving for a larger portion of vodka [as published], all kinds of democratic, but also undemocratic, forces can triumph there. A steep downfall in politics and in the economy can be very dangerous because, as we know very well from history, weak regimes are always dangerous and actually breed totalitarianism and uncertainty....

The West did not know very well what to do with what happened in East Europe. It did not reckon with such dramatic changes. I think Zbigniew Brzezinski described this poignantly in his book *Out of Control*, whose very title epitomizes the problems that must be tackled today. Just one example of many: Helmut Kohl surely did not foresee that he would become the chancellor of united Germany. We could list a whole series of phenomena and problems that were tabled all of a sudden. I believe that what happened in Germany did not make just us Central Europeans, Czechs and Slovaks, shiver and feel creepy. There is no doubt that Germany is today the strongest country to the west of Moscow and to the east of Washington. What will or can happen there is also written in the stars, even if my former counterparts, H.-D. Genscher and his successor Kinkel, or Helmut Kohl and his predecessors Schmidt and Brandt, kept assuring us that, while they are in power, a third world war would not emerge from Germany, that they would not endanger their neighbors and European peace.

Why am I still of the opinion that the Cold War, which marked a whole stage in the development of Europe and the world, has been supplanted by a hot, very dangerous, extremely inflammable peace? In the past, I was always one of the optimists, or realists, if you like. I was not one of the ministers who looked on the dark side of everything. I always tried to see things from a deeper perspective. However, today there are so many new elements shaping our situation that one has to ponder very seriously what can happen. I am not thinking just of the Balkans and Yugoslavia, but also of relations between the big countries, particularly between today's great power and one nongreat power [nevelmoc], which, together with the factor of developing countries, can generate all kinds of tensions and dangers.

If you permit, I will mention only one example from the daily SLOVENSKA REPUBLIKA, on whose pages two ambassadors recently engaged in a discussion. In an interview published in that daily, Russian Ambassador Sergey Yastrzhembskiy observed with regard to some statements by the son of an important SS officer concerning the deployment of missiles that they are extremely inflammable. U.S. Ambassador Theodore Russell replied to him, saying, I quote, that he wants to "set right the imprecise information and the impression that readers may have gained after reading the interview with Russian Ambassador Yastrzhembskiy. Unfortunately, this interview contains serious and misleading claims about the NATO enlargement study, particularly with regard to the nuclear weapons strategy.... The enlargement study does not demand that the new member states accept nuclear forces on their territories." This is okay. Further on, he specifies that in this study "there does not exist a single a priori condition that nuclear weapons be stationed on the territories of new members." This, too, is okay, but let us pay heed to what Theodore Russell adds: "Further in the future, however, consideration will continue to be given to both, as a result of enlargement." Let us ponder this statement together—depending on what the future will be like, consideration will be given! [sentence incomplete as published] This means that, should the future turn out to be very uncertain, consideration will be given to the stationing of missiles. Initially, these would probably be medium-range missiles—that is, Pershing 2's—with a range of 600-700 kilometers. Germans, in particular, whose territory is strewn with these missiles, would be very happy because these missiles would probably be stationed somewhere in the east of our country. Along with service crews, of course. Slovaks and Czechs would not be admitted there. NATO troops and, most probably, Americans would be stationed there, just like everywhere else. However, in that case it is necessary to ponder the question of sovereignty and other questions associated with this. Were missiles to be deployed—which, for the time being, is a question that will be given consideration—the other side, Russia, which still possesses those missiles, would have to react immediately. These missiles would be directed not only at capitals, as we used to say under totalitarianism, but also at military installations, airfields, and related

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targets. I am using this example to illustrate that these matters are still very unclear and discussion on them has not yet been completed.

What I see as the main and decisive source of the growing tension at present, after the honeymoon about which Yeltsin and Kozyrev spoke as recently as two or three years ago, is the fact that the problem of strategic weapons has not been solved. The issue of small tactical medium-range missiles of second category were always somehow on the periphery of our discussions. The ballistic intercontinental missiles were always considered to be decisive; they were the ones the Americans and Russians dreaded. These are missiles that can easily reach Houston, California, or Maine, or, vice versa, the Urals or Volga. These missiles still exist, the only difference being that today they are not directed at strategic targets. You know that redirecting missiles back to the old targets is a question of a few minutes or hours. This is an enormous danger, one that directly depends on the mood, the situation, the atmosphere, and relations, particularly between the aforementioned two big countries. This is why one delegation after another keeps visiting Moscow.... If I remember correctly, the Russians had more of these missiles, while the Americans had a larger number of warheads. Some 400-500 on submarines and some on land. The force of each of these warheads is equivalent to 10-20 of the bombs that were dropped on Hiroshima. All this still hovers like the sword of Damocles, or like an insurance policy, over the present situation. That is what makes the present situation so much resemble hot peace.

When we take note of Mrs. Albright's speech on the occasion of the 50th anniversary of the UN about the United States not being just any country, about the United States being a global power with global interests that wants its influence to be felt and its ideas to be heard, and when we listen, on the other hand, to what Yeltsin has been saying of late about relations with America, there will be no doubt that we really have reason to give serious thought to this issue.

[NOVE SLOVO BEZ RESPEKTU] It is a fact that the steps that started in Paris meant the start of arms reduction, but, at the same time, they led to instability. On the other hand, there exists a second possibility, that a new division and balance of forces between the United States and Russia will emerge, which means new armament. This is also something we fear. Is there any realistic path that would yield peace dividends? Can a solution be found?

B. Chnoupek: It certainly can, but one thing is needed for that. Both world powers, the former and the present, must opt for honest disarmament and peaceful cooperation. What the Americans are doing makes me feel, however—this is my opinion, which I assimilated in those 20 years [as Czechoslovak foreign minister]—that American policy wants to take advantage of the weakening of Russia and of the chaos there in order to press Russia to the wall. I am deeply convinced that, if the Americans carry on this policy, Russian generals will stand up and say: This cannot be! We see that something has beem going on there in the past two or three years, that patriotic forces have come forward. Whoever knows the Russians—and I got to know them well in the eight years I worked there [as Bratislava PRAVDA correspondent]—will confirm that they are, first and foremost, easy to offend. It is necessary to realize what it means to suppress the dignity of such a great nation. I would compare it to the dying Bolkonskiy [character from Tolstoy's *War and Peace*] after the battle of Austerlitz, when, being driven to Olomouc on a cart, he dreamed about great Russia, about its endless blue skies. The Russian nation, whose life is very difficult and arduous today, if I am to avoid the word wretched, feels humiliated. Let us realize that. Anything can happen in such a situation.

Some of us laugh at the Americans, that they do not know Europe, that they confuse Prague with Belgrade, presidents, the Danish and Dutch kings. When Clinton was elected, how many of us took out our school atlases to see where Arkansas is and what its capital is?! When you ask a European to name the capitals of American states with a population of several million, he will not know them, either. Great power thinking exists in Russia just as it exists in the United States. The offended historic pride of the Russian people could have severe repercussions. The Americans and the West must realize that there are certain limits to everything. When they station missiles [in countries that used to be Russia's allies], they must reckon with a response. This response will mean that missiles will be flying over our heads. I do not know why they should be flying over Slovak heads because we have not done anything to anyone! Hence, a third path exists. It is the path of dialogue and mutual respect. If the state secretary were here, he would perhaps disagree because the Government of the Slovak Republic, with the exception of Messrs. Slota and Luptak, says something else. Anyway, this is how I see things. It is a very dangerous game.

[NOVE SLOVO BEZ RESPEKTU] Mr. State Secretary, because you come directly from the National Council, tell us, please, what is now attracting parliament members' greatest interest concerning Slovakia's foreign policy orientation.

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J. Sestak: You surely know that we have started the ratification process for the Slovak-Hungarian treaty. It is a very hard nut to crack. We are getting from deputies many complex and well-founded questions. You surely remember that we initialed the treaty on 16 March [1995]. On 17 March, the Hungarian foreign minister made a speech and interpreted the treaty differently from what we had agreed. That is why we had to convene an extraordinary Cabinet session on 18 March, at which we approved a government statement on this treaty, which we then delivered to the Hungarian side before its signing. In that statement we declare that we never accepted in the treaty any collective rights or the demand for autonomy. By this I want to show that the ink was not even dry after the treaty was initialed before a different interpretation had seen the light of day.

Immediately after the treaty signing, the levee of the joint Danube project [at Dunakiliti] was torn down. I do not want to make an anti-Hungarian speech here, I just want to recapitulate the steps that were taken. After the approval of the law on the state language, the Hungarian Government launched against us a frontal attack at all international forums. This law is a legislative step of internal state nature, which, of course, has a certain impact on certain things that are in that treaty. However, the treaty also contains Article 21, which states that, should different interpretations of the treaty arise or should views on the treaty's application vary, the two sides are to enter into consultations. Yet the letters we have received did not invite us to bilateral consultations; they proposed that we jointly consult in the Council of Europe a law that had already been approved and signed by the president. These are things we cannot accept.

One week ago the Hungarian Government said accusingly in the Organization for Security and Cooperation in Europe [OSCE] that the approved law on the state language runs counter to the Basic Treaty and to the commitments we assumed on being admitted to the Council of Europe—the Framework Convention [on the protection of minority rights] and the like. The Hungarian ambassador even made a speech in the spirit that the law is at odds with all documents of the Helsinki process. On Thursday (30 November—editor's note) I will try to explain to 53 ambassadors of OSCE member states that this is not in the least the case. The remarkable thing is that the political parties representing our Hungarian ethnic minority are not fighting for their language rights but are attacking the language rights of the majority in Slovakia. I will try to explain that as well. If you read the wording of the U.S. bill that has just been submitted to both houses of the U.S. Congress, you would find out that this wording is quite unambiguous. Throughout the territory of the United States, all official actions must be performed and all records at all levels must be kept in the English language. Full stop. There is no discussion on this. And we have to explain [the law] all over the world and will apparently have to spend considerable sums of money on refuting absurd attacks against us, money we could otherwise invest, for instance, in the construction of the bridge at Sturovo [to Esztergom on the Hungarian side of the Danube].

[NOVE SLOVO BEZ RESPEKTU] "Hot peace" is putrefying [tlie] also in relations between our government and the EU and the European Parliament. Although you were given an opportunity to address the European Parliament, you did not prevent the passage of a resolution that is critical toward Slovakia. How do you explain that the soil in both institutions is so hot for the Slovak executive?

J. Sestak: ....As far as the demarche is concerned, it is extremely untrustworthy—both in form and in content. I was in Brussels on the very day the decision on the demarche was being made. I beseeched them to let me speak for at least 10 minutes; they said no. They were not interested in a discussion. The situation in the European Parliament in Strasbourg was the same. The party machines were in action in preparing the resolution. And stopping party machines in just 12 hours is not possible, even if God himself attempts it. There was no interest. At least I managed to speak to a delegation of [European Parliament] deputies who were about to visit Slovakia. I said that it did not make sense to adopt such baggage [batoh] one week before they come to Slovakia. They accepted this and authorized one Dutch deputy to tell the plenum that the European Parliament delegation did not wish the resolution. However, in his contribution this Christian Democrat said everything except what the group of his colleagues had authorized him to say and for which it had given him a mandate by a vote! I say this so that you know that even such characters exist in European politics. After the speech, a British socialist jumped up and scolded the Dutch deputy in public. They threatened one another with their fists but that led nowhere.... The resolution was passed because the party machines had so decided. The European Parliament delegation that came here a few days later had the opportunity to convince itself that nothing was being concealed here, that the opposition and coalition are openly clashing in parliament, that we have democracy here. That is what mattered because the whole point of the demarches and the European Parliament resolution was that there is no democracy in Slovakia.

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[No 1, 1996 pp 8-10]

[Text] Do you think Mikhail Gorbachev still has a chance of returning to the political arena? "I do not think so and, if he had some dignity left in his body, he would take Raisa, leave for the Yenisey, build a dacha there, and go fishing. That is my opinion, even though I make no secret of the fact that I used to be a great fan of his. After all, what could be more attractive than a greater dose of a better sort of socialism?!" Bohuslav Chnoupek conceded in the third period of our "browsing" through the chapters of our and global diplomacy in the NOVE SLOVO Club (the first part of an abridged transcript from our discussion, held on 29 November, was published in issue No. 51/52 of NOVE SLOVO BEZ RESPEKTU—editor's note), in which club members were inquiring also about personalities of Soviet diplomacy, particularly Gromyko and Shevardnadze....

[NOVE SLOVO BEZ RESPEKTU] Do you agree with the accusation that Gorbachev is a traitor?

B. Chnoupek: No, although I do not conceal certain doubts about him.... I had the opportunity to hear him twice a year at sessions of the Warsaw Pact Political Consultative Committee. When you analyze his speeches there, including internal speeches addressed to a narrow circle of 25-30 persons, you will not find in them anything about the sellout of socialism, except for the noun "reforms." Really, his statements were always in the spirit of the slogan—more and better socialism. At first, one could only reproach him for a certain rashness but later, when he started with the sellout of socialism, I asked myself several times: What is going on? He received me alone a few times, when, as the most senior [Warsaw Pact] minister of foreign affairs, I headed a group of ministers. I remember what we talked about.... His case may have been a mixture of inexperience, illusions, and, perhaps, the influence of his wife, whom, as he had once confided to me, he would consult in bed before every important decision. Later, when I called to mind Stavropol, which I know fairly well, I thought deep inside: When someone comes to Moscow from Stavropol or Kuban, where—excuse me for saying this—hens are cackling and pigs are running around the streets, and is all of a sudden supposed to govern one-sixth of the world, he can start feeling dizzy. The idea had occurred also to me that Andropov may have picked the wrong man at that time in Kislovodsk [resort town near Stavropol].

But, as I have said already, I disagree with those who say that Gorbachev is a traitor. I have to add, however, that I disagree with his being branded a conscious traitor. I may still change my mind. Who knows, perhaps one day someone will bring me the documents from Malta, where he is said to have sold out socialism. I do not know these documents, none of which has been published to date. So far, I have only had the chance to read Teltschik's minutes of Gorbachev's talks with Kohl. Teltschik, originally a Sudeten German from Telc [in southern Moravia], was Kohl's secretary and kept notes on the entire discussion. I received the notes from Oskar Fischer [former GDR minister of foreign affairs] when I visited him in Berlin after Germany's unification, when he was no longer minister. I told him: Oskar, this is not possible! As Kohl was leaving by air for their meeting, he was as nervous as an actor before his first performance. That is at least how Teltschik describes it. He did not know what he would achieve and was nervous. But Gorbachev served everything to him on a plate and without conditions—the whole Germany, complete with Honecker! The result of Gorbachev's policy was treason. But he probably did not do it consciously. Yet he did betray the state and the party, which he disbanded and banned at a time when he was its general secretary, elected by 16 million communists. I do not think, however, that, as some people claim, he was a longtime agent whom the Americans managed to get into the Kremlin seat. I rule this out; that is impossible. But I do think it was his unrealistic, romantic policy that outmaneuvered him, that he had been "written off" by the year 1991.

[NOVE SLOVO BEZ RESPEKTU] At his party's recent congress, Franz Vranitzky [Austrian chancellor] rejected NATO, into which we are so much rushing. Why?

J. Sestak: This is, of course, a very complex issue. Imagine that all postcommunist countries were to declare that they are on their way to NATO and we would say no. What would the effect of this be? Even now we are being suspected of eastward orientation just because we are trying to recover part of what we lost carelessly and under the influence of naive and irresponsible politicians such as Mr. Havel and his group on the Russian market, which has immediately been occupied, without any sense of shame, by the French, Germans, Italians, and so forth. On no account are we going to even hold discussions on military partnership with Russia. But recovering a part of the market, creating good relations, and trying to regain by means of a solid policy the $1.6 billion [that Russia owes Slovakia], a sum that would almost turn us into a little Switzerland, if we had it, that is our sacred duty. We are not about and do not want to enlarge NATO as a one-bloc zone directed against Russia or who knows whom. We want to enlarge the sphere of stability, security, and safety. At the same time, we say candidly that, until relations of the Russian Feder-

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ation with the Americans, and also with NATO, have been settled, it will not be possible to speak about a reliable and stable security situation in Europe. But this is not Slovakia's business. Slovakia cannot negotiate an agreement between the Americans and the Russians and between NATO and the Russians! Just as no one can tell us what we should and should not do. I think that, essentially, we have no choice but to knock on the door. In the first, second, and also third cases [not further specified]. I realize that some skeptics are sitting here who would argue with the view of NATO as being a security umbrella, but the fact is that, for the time being, there exists no alternative. NATO is the sole existing and prospective organization during the existence of which no war has broken out.

As for Chnoupek's comments about the hot peace and Cold War, I think these are the right words. Zbigniew Brzezinski is constantly warning us that we are in for a period of great tension. The evolution of this zone of tension in the north, south, east, and west will depend on a great many circumstances. The Dayton peace is very, very fragile.... All the more sensibly do we have to weigh our steps. Not only because we are a small country but also because we are close to that conflict.

[NOVE SLOVO BEZ RESPEKTU] Do you not think that all governments so far have a lot to make up for in relation to Slovaks living in Hungary? In 1918, there were as many Slovaks in Hungary as there were Hungarians in our country, who enjoy rights the Slovak minority in Hungary cannot even dream of!

J. Sestak: We used to have some 500,000 Slovaks on the territory of Hungary. Today, some 10,000 people in Hungary declare themselves of Slovak nationality. This is clear proof of the assimilation in the country of our southern neighbors. We did not want to go on the offensive, but I promise you that, from now on, we will. This means that we are going to ask questions, also in connection with the treaty we signed, concerning the position of our minority in Hungary. The Hungarian politicians made one clever move. They approved one or two laws that sound very nice, on which they preen themselves and for which they have received applause from the Council of Europe.... However, these laws are not supported by any funding. We are spending millions on our minorities, while they do not spend even one forint. Slovak local self-administration has no chance of developing itself within the framework of the big self-administration. If you have a bankruptcy law and our minority does not have a single forint on its account, it will go bankrupt. There are a legion of other problematic matters as well. When they speak about the right to education, we will remind them that there is not a single proper Slovak school in Hungary. And the only school that is there receives threatening letters every week that it is going to be blown up. We are probably going to start exposing and publishing these things. We regret this because we did not want to introduce this tone. We wanted to assert historic reconciliation.

B. Chnoupek: We used to deal with the nationality question on the basis of the principle of internationalism. Every time he received me, Kadar [party and state leader of communist-era Hungary] would tell me that he wants this question to be solved justly and that we should give a thought to what their Ministry of Foreign Affairs is saying about bridge-building and friendship. We would reply stereotypically that we do not need to build bridges between Slovakia and Hungary because we believe that the question of the Hungarian minority is being solved justly, unlike that of the Slovak minority in Hungary, which, in our opinion, does not live under good conditions. This exchange would usually be followed by the delegation's agenda. They would take us to all kinds of places, where Slovaks would sing songs for us and school children would recite poems. They spoke to us beautifully, in Slovak, even if it was a "Baksayite" sort of Slovak [allusion to the Hungarian-born Czechoslovak minister of foreign trade in 1990-92]. These are your minorities, this is how they are doing, they would tell us. It is hard to say whether these were Potemkin villages. But my rich personal experience has taught me that, internationalism notwithstanding, the idea of great Hungary still lingers in the majority of Hungarians.... Petrzalka [part of Bratislava on the right side of the Danube] used to be part of Hungary, rather than Austria. When talk started about Weizsaecker, Ribbentrop's deputy and father of the former German president, cutting off the fifth zone, which included Devin [ruin of medieval castle near Bratislava], the Hungarians were the first to fly Hungarian flags because they thought that it [the fifth zone] would belong to Hungary. Even today I could still name all of them because they were our neighbors, our friends. They were only waiting for an opportunity. This is something with which we must reckon and about which we should not have any illusions....

By coincidence, I chaired the commission for restitution of cultural values with Hungary. I do not want to bore you with how long it took and what was ultimately returned to us. The largest item we got back—three large boxes—was the archive of the Turkish kadi from Rimavska Sobota. Here you can read about Turkish courts trying cases of Slovaks who had gone over to the Turks. This is no joke. Slovak peasants were fleeing from the oppression in Austria-Hungary to Turkey. Hence, the Turks did not swoop upon Poniky [region in Slovakia; allusion to Samo Chalupka's poem on Slovak

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suffering under the Turks]. You should go to Istanbul, where there is also a beautiful archive containing lists of Slovak peasants and other Slovak down-and-outs who fled to the Turks. But that is only an aside. In 1918 the Hungarians had carried away from St. Antol and from around Trencin old Gothic and baroque art. You can now admire all that in the museum of Esztergom and elsewhere. The Hungarians once took me from Tihany all the way to Nyiregyhaza and Kecskemet, showed me empty churches, and lamented: You see, everything was stolen by the Turks under Suleiman II, we have nothing. When we consulted on this issue with the Yugoslavs in 1966 or 1967, they told us: You will not get anything back. We have everything. "How did you accomplish that?" I asked. How? Like guerrillas. When the Hungarians were weak, we formed a military convoy and, with submachine guns in our hands, loaded everything that was ours onto trucks. Of course, this has nothing in common with international law. But, unfortunately, this is the way it is. Kreisky [former Austrian chancellor] used to say: You know, it is very easy to have good relations with a country that is thousands of kilometers away. Argentina? Perfect. Indonesia? Super. But maintaining good relations with one's neighbors is very difficult. So many problems and so much wrath and hatred has accumulated in them over centuries that solving the problem of friendly and good-neighborly relations is very, very complicated.

[NOVE SLOVO BEZ RESPEKTU] Was it not possible to forestall disputes and misunderstandings by having a more balanced treaty, by not including in it a "dead child"—Council of Europe Recommendation No. 1,201, by which ministers of Council of Europe member countries have refused to have their hands tied?

J. Sestak: The treaty is good, but the partner is untrustworthy. That is the whole problem. Even if we lined the treaty with gold and signed and pledged to observe it with blood, if the partner does not want to observe it or if he circumvents and misuses it in all possible ways and interprets it differently, not even the best of treaties will prevent this. In parliament, too, we are often asked whether the treaty could not be better. Better in what way? There is only one thing we could do—not accept the reference to [Council of Europe Recommendation No.] 1,201, like the Romanians. However, in that case there probably would not be any treaty. That was the question we were facing. The treaty is a compromise and, like all compromises, it has its drawbacks. There exists no such thing as an optimal treaty.

The treaty contains safeguards that will always allow us to defend ourselves and will prevent the other side from misusing the treaty. Should they try to misuse it, we would have to resist.

[NOVE SLOVO BEZ RESPEKTU] How was it in the United States [during Sestak's and President Kovac's visit in October 1995] when you requested that Bill Clinton receive Vladimir Meciar? Would our position change in any way if the two held talks?

J. Sestak: I do not know what was meant by the claim that President Clinton did not hear me. He heard me very well. I addressed him twice. First at the conference table. It is not true that he did not react. I just did not want to publicly accuse our high constitutional official of not speaking the truth. Bill Clinton literally replied: "I will do my best." In bidding farewell, I wished President Clinton much success in the election campaign and only then did I again make a request for a meeting with the prime minister. Why do I think these two politicians ought to meet? With all due respect to the head of state, he does not run this state. He is not responsible for its results; he only represents them. Responsible for the fate of the state is the person who runs this state, who drafts the budget, who proposes and implements laws, who won the elections and commands a majority in parliament. He is the person to whom the U.S. head of state should be talking. That is my profoundly held view and conviction.

And what would change? Perhaps some information on the President's desk in the White House would look different from the way it now looks. Perhaps. I do not claim that he gets poor information. The American system is too professional to provide poor information. However, nothing can substitute for personal contact. When people meet and talk, they influence one another.... It is not good when you pronounce a verdict and do not have the opportunity to hear the other side. It is not good when there is only one channel of information. We know today that information to the European Parliament was flowing only, or predominantly, from the political opposition. A fair judge will always hear out both sides.

[NOVE SLOVO BEZ RESPEKTU] Why did information flow only from the side of the opposition?

J. Sestak: Because, for example, political structures are not interlinked. Let us say that objectively. This does not mean, however, that the European Parliament should not establish structural links to our state. We are a young democracy. We need to have exactly the same parties as in the West, but all that is still only evolving. I will predict to you—and one gentleman whom I am not going to name will agree with me—that the left will soon become crystallized in Slovakia. We shall perhaps be surprised who will and will not be part of this left. Let us wait and see. We have the right to ripen as a state. We should not be condemned three years after the establishment of the Republic!

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[NOVE SLOVO BEZ RESPEKTU] Mr. State Secretary, I would like you to explain what we ought to do, first and foremost, to be credible in the world and to be accepted more at international forums....

J. Sestak: If I had more time, I would enumerate what has already been done. First, who else has managed to privatize 62 percent of all property in three years? Irrespective of what privatization is like from the viewpoint of transformation, the important thing is that the private sector accounts for 62 percent. After the completion of the privatization process, the share of the private sector in the GDP will increase to 80 percent. I could name you branches of industry that have been privatized in Britain for 10 years and without success.... I know that this is a topic for a separate discussion, but I have to defend our privatization. Compare the systems of privatization in the Czech Republic and in our country. If nothing else, at the very least you have to acknowledge that we are building our own middle class. In some other countries they are not doing that and they will end up as in Africa—with a thin layer of the rich and a huge mass of paupers, with only foreign capital in between.

Our economic results are outright miraculous. I claim that God is half-Slovak. There are three EU states with a state budget deficit at the level of 3 percent of the GDP. My dear, the fourth such state, which is not in the EU yet, is Slovakia. It is necessary to see things as they are and objectively to compare all criteria. We are not doing badly. From the viewpoint of ratings by renowned foreign companies, were are somewhere in the middle of the table, we are credible on the international capital market. In other words, the successes are legion, and there would be even more of them if we could work in a calmer atmosphere. Various attacks, from within and from the outside, siphon off much of our energy. I am saying this quite plainly. I am bearing a grudge against our journalistic community for what it is doing.

[NOVE SLOVO BEZ RESPEKTU] What do you think about the statement of one diplomat, according to whom Vladimir Meciar has squandered the trust that he once enjoyed among foreign partners...?

J. Sestak: I beg you, if you show me a political leader in this state who is better, we can start arguing about that! No one is a match for him, not in the first, second, third, fourth, fifth, or sixth parties. And that he makes mistakes? Everyone makes them....

[NOVE SLOVO BEZ RESPEKTU] Mr. Chnoupek, during your career you accomplished a brilliant feat—you managed to have our gold transferred from overseas to safes in the territory of Czechoslovakia. Could you advise your departmental colleague how to move this gold another 320 kilometers [distance between Prague and Bratislava]?

B. Chnoupek: I suppose that is not a question, or is it?.... The question has been raised here several times on how we managed to settle contractual relations with neighboring countries. I will omit here the socialist countries, where this was self-evident.... As we were preparing the treaty with Austria, it appeared at first glance to be a financial problem. The issue on our part was to pay compensation [for nationalized property] to Austrian citizens formerly resident in Czechoslovakia. There are lawyers among us today, and they will surely confirm that achieving an optimal treaty is virtually impossible. Not only do you have to conclude a treaty with the foreign partner, but it is also necessary to come to terms with internal pressures, which exist in all countries. And these pressures are sometimes worse than those brought to bear by the partner. For example, if were up to only us and the Austrian Government, we would have agreed very quickly. However, Austria had a right-wing opposition—initially a black-yellow one, the Haiderites were not yet on the scene—and on our side there was the syndrome of the White Mountain [battle near Prague in 1620, in which Czech Protestant nobility was defeated by the Habsburgs, resulting in 300 years of Austrian rule in Bohemia and Moravia], which many Czechs, in particular, were unable to shed. They were saying: We are supposed to pay something to the Austrians, to German aristocrats who stole everything they could here? We, who had to endure 300 years of darkness here? Overcoming this was very difficult and, were it not for Kreisky, who saw things from the international perspective, so to speak, perhaps we would not have even agreed on the treaty. Kirchschlaeger [Austrian foreign minister at that time, later president] was an affable gentleman, but he was too weak to stand up to these voices, which were not so much opposition as anti-Czechoslovak voices. This matter could be decided only by an internationalist, or socialist, if you like, as Kreisky was. When he received me, he told me: I will take the treaty to my parliament if you give me 1 billion [Austrian schillings]. We gave him this billion and he accepted that enormous risk. He was under fire from all sides.

Immensely complicated were negotiations on the treaty with the FRG concerning the nullity of the Munich agreement [of 30 September 1938 on the annexation of the Sudetenland to Germany]. When I read to parliament the text providing the rationale for this treaty, Gusta Fucikova [widow of writer Julius Fucik, executed by the Nazis in 1942] was sitting in the first row, and Plojhar [former Czechoslovak minister of health], who had been in a concentration camp from 1939 to 1945, was sitting

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next to her. They were looking at me and I could read in their eyes what they thought about me: This Slovak chap is selling us. My friend Karol Laco [former Czechoslovak deputy prime minister], an outstanding lawyer, once criticized me at a Cabinet meeting for the quality of the Slovak in the text of the treaty. I defended myself: Karol, we are fighting not for paragraphs, but for each dot, each comma, each punctuation mark. Naturally, the end result is such that it is neither Slovak nor Czech, but a contractual text reflecting the great complexity of the talks. Had it not been for the interest of Moscow—and I say this openly—perhaps I would not have found the strength to agree on this treaty.

Recently I published my conversation with Brezhnev, in which he told me: "Poland, ourselves, Hungary, and Bulgaria are interested in the conclusion of treaties with Germany. We are not pressuring you. But you should understand that Brandt is in a very difficult domestic political situation. Right-wing forces are attacking him as the person selling out German interests, as someone who tolerates it, when I, Brezhnev, cut off 17 million Germans from Germany. He needs help. Therefore, do not ask much of him. Do not ask of him things he cannot deliver. I am thinking of helping him by calling or sending a message to Nixon, asking him to support Brandt in his efforts by putting in a good word for him with the German right, with Strauss and the others. But this is not necessary yet. Go ahead and negotiate!" The negotiations took three years. How many meetings and consultations were held! It all boiled down to one very complex legal problem—whether the nullity of the Munich agreement applied *von Anfang an* [German phrase used]—that is, from the very beginning—from the secession of the Sudetenland or from 15 March 1939, when Hitler occupied and actually broke up Czechoslovakia. The problem was that laws of the German Reich were valid on the territory of the former Sudetenland then. The German legal school, which, incidentally, is undoubtedly one of the pillars on which Germany stands, recounted to us the syllabus of problems that would arise if the nullity of the Munich agreement were to be recognized *von Anfang an*.

Let me give you at least one example: With the coming of Germans to Petrzalka, where I grew up, the laws of the German Reich went into effect there. One of my classmates who lived in the same street, Adolf Prezler, had a German mother and a father from Bratislava. He was drafted. First he was stationed in Africa, and from there he was transferred to Russia, where he was arrested near Voronezh. He spent some time in a prisoners' camp in Siberia, where he volunteered, as a Slovak, for the Czechoslovak Army corps. He fought in Svoboda's Army, was injured during the battle of Dukla, and returned after the war as a sergeant. After the war he studied with us at No. 32 Palisady, in the school that owns the premises where we are sitting today. If we insisted that the Munich agreement was null and void *von Anfang an*, he would have been a traitor, in fact, who would have to be punished. Who knows, perhaps we would have been forced to imprison him on charges of high treason. This is just one of many examples illustrating the complexity of this treaty, which was eventually signed. This is why we laid down in it that each party would interpret the term "nullity" in its own way. As we were exchanging the texts of the treaty after its ratification, my friend Genscher read out a statement that he disagreed with Minister Chnoupek's report in parliament, that they do not recognize the perception of nullity *von Anfang an*. And I read out a similar document, saying that I disagreed with Minister Genscher's interpretation of nullity. By this I want indirectly to illustrate that, in certain historical situations, agreeing on a treaty with Hungary that would meet all the requirements and encompass all of Slovakia's ideas and interests really is beyond human potentials and beyond the capacity of one government. I think the maximum has been achieved in this treaty and that no previous or future government would achieve more.

Slovakia: FRG Proposal on Debt Repayment Rejected

AU2901174196 Bratislava NARODNA OBRODA in Slovak 26 Jan 96 pp 1-2

[Report by CTK: "Germany Is Demanding That the Slovak Republic and the Czech Republic Repay the Debt of 501 Million Marks Toward the Former GDR"]

[FBIS Translated Text] Bratislava—Germany is demanding that the Slovak Republic and the Czech Republic repay their debt of 501 million German marks [DM] stemming from the deficit of the CSFR's balance of payments with the former GDR. This is stated in a Slovak Government report that Vladimir Meciar's Cabinet discussed on 24 January and that the Slovak Government Office Press Department has made available to CTK.

In 1994, when the last unsuccessful round of talks on the Czech-Slovak debt was held, Bonn was demanding approximately DM1.5 billion. At joint trilateral talks on this issue, the Slovak Government intends to recognize a deficit of DM196.6 million but, at the most, it is ready to "concede" DM250 million.

According to the Slovak proposal, the sum owed should bear an interest of 2.75 percent at most and be repaid in six half-yearly payments starting in 1999. If the three

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parties agree on the size of the debt, Bratislava proposes that it be divided between the Czech Republic and the Slovak Republic at a ratio of two to one.

In the proposal it submitted, along with a note, to Bratislava and most probably also to Prague in mid-1995, Germany sets the debt of both successor countries to the former CSFR at DM501 million, which would mean DM167 million for the Slovak Republic and DM333 million for the Czech Republic. For Slovakia, Bonn proposes half-yearly payments of DM55.66 million, with the first payment to be made as early as 1 July 1995. According to Bonn's proposal, the debt should bear an interest of 5.5 percent starting from 1 July 1994. The Slovak side has rejected this proposal.

The CSFR entered the year 1990 with a surplus of 56.8 million transferable rubles on its balance of payments with the GDR. After the unification of Germany, the Slovak Government report states, "a change of principle occurred in the conduct of organizations of the former GDR, which ceased to respect contractual commitments." The GDR unilaterally canceled concluded contracts for approximately 250 million transferable rubles, did not purchase the agreed volume of financial resources for tourism (232 million transferable rubles), and, at the same time, returned about 77 million transferable rubles worth of these resources for 1989.

This not only resulted in a balance-of-payments deficit, but also, according to Prague and Bratislava, Czechoslovak organizations incurred demonstrable damage of approximately 160 million transferable rubles.

In 1994, the German side proposed an exchange rate of 1 transferable ruble:DM2.34 for the conversion of the debt volume from transferable rubles to freely convertible currencies. In its negotiations on similar Hungarian and Polish debts, Germany supposedly charged a conversion rate of 1 transferable ruble:DM0.656, the Slovak Government report states.

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Hungary: Country 'First' To Normalize Ties With FRY

LD2901225096 Belgrade TANJUG in English 2238 GMT 29 Jan 96

[FBIS Transcribed Text] Budapest, Jan. 29 (TANJUG)—Hungary will be the first to fully normalise relations with Yugoslavia [Federal Republic of Yugoslavia, FRY], which will also include its official recognition, Hungarian Assistant Secretary of State for Foreign Affairs Janos Toth said Monday. In a talk with Slobodan Jovanovic, chairman of the Serbian parliament foreign policy committee and director of the Yugoslav news agency TANJUG, in Budapest, Toth said Hungary would soon upgrade diplomatic relations with Yugoslavia to the level of ambassadors. Toth and Jovanovic agreed that conditions had been created for a fruitful bilateral cooperation in all spheres that had been disrupted by the U.N. Security Council sanctions against Yugoslavia.

Yugoslavia as well as Hungary are primarily interested in resuming economic cooperation, specifically in the sphere of transport, they said. Moroever, both countries back the principle that people should build their lives in their homeland, which means that hundreds of thousands of refugees sheltering in Yugoslavia should return home when legal and material conditions for it were created, they said.

Jovanovic stressed again that national minorities in Yugoslavia, ethnic Hungarians included, were granted all rights in keeping with the highest European and international standards.

Hungary: Bokros on New State Administration Program

AU3001115096 Budapest NEPSZABADSAG in Hungarian 29 Jan 96 pp 1, 5

[Report on interview with Finance Minister Lajos Bokros; place and date not given: "Bokros: We Are Doomed to Reform"]

[FBIS Translated Excerpt] At a meeting of the Hungarian Socialist Party [MSZP] held on 27 January, Finance Minister Lajos Bokros said that we were doomed to reforms because, if we fail to institute changes in the large distribution systems, the budget deficit would increase every year along with a deteriorating supply of the population and there would not be any possibility of creating a lasting economic growth, either. Lajos Bokros outlined the political concepts of budget restructuring and asked the support of the government parties for this.

According to Bokros, it would be a mistaken political rhetoric to call the series of necessary steps a second Bokros package. The stabilization measures carried out in March 1995 required a one-time action and were meant for the short term; subsequently, their effects were shocking and basically connected to financial decisions. However, the state administration reform requires a series of long-term measures, it can only be started gradually, on the basis of a social dialogue, and it will affect the entire society. The decisionmakers should see to it that a new distribution system emerges in Hungary in the long run, one in which the principle of self-care does not contradict the principle of state care; therefore, a strong social protection net will help all those who, through no fault of their own, are unable to cover their basic needs.

Lajos Bokros mentioned the need to increase the level of health care, social, educational, and cultural services, as well as to increase the citizens' ability to choose, as primary goals of the reforms, and he only regards as secondary the amount of savings obtained from all this in the overall budget. At the same time, the finance minister mentioned that, at present, the state withdraws about two-thirds of every 100 forints in the form of taxes and fees.

The citizens justifiably complain about the high level of withdrawals because, in exchange, they receive deteriorating services. State administration redistributes 66 percent of the annual gross GDP. In order to reduce the amount of withdrawals, we must restructure the redistribution system and we must consistently assert the principle of need. In connection with the timetable of starting the reforms, Bokros said that, in order to be able to start the reform of the pension system, health care, and education on 1 January 1997, parliament must adopt the new laws or modify the existing ones in its autumn session. This requires the formulation of the concept by the end of March this year, so that the government can adopt the direction and pace of the reforms by the end of July, together with the guidelines of the 1997 budget. Lajos Bokros mentioned that they can first move in the direction of pension and health care reforms, and only after this can they move in the direction of restructuring the tax system, social security, and local governments, although it would be expedient to start the large-scale reorganization simultaneously on every front. In nis view, we must reach the critical phase in the reforms next year when it is no longer possible to retreat. Among the various reforms, the finance minister spoke in detail about the restructuring alternatives of the pension system. He confirmed to us that he mentioned this first among the long list of changes because this has the longest transition period, 30 years, and the relevant political, social, and economic decisions can serve as models for the other changes

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as well. According to Lajos Bokros, the dilemma is whether to maintain the current pension system, which is in essence that, based on the principle of generation solidarity, the prevailing pension fund payers pay for the pensions of prevailing pensioners. However, because of the demographic situation, a paying contributor has an increasing number of pensioners to support; therefore, the pension fund shows an increasing deficit. The extent to which the state budget supplements this deficit always depends on a political decision. This leads to a situation in which we cannot preserve the real value of the pensions and there is increasing opposition to paying the large pension contributions. In Bokros' view, it would be more socially just and more efficient economically to have a predictable relation between individual contributions and payments, and the system would have a self-financing basis. Lajos Bokros thinks that this can be achieved by asserting the principle of capital coverage. In his view, the present 30-year-old generation should be allowed to collect 6 percent of their pension fund contributions on private capital account; in other words, they should be made to save in advance for themselves and, thus, they will know precisely the amount of capital they have accumulated when they decide to retire. Bokros continues to think in terms of a multilevel pension system. [passage omitted]

Hungary: SZDSZ Leader Assesses Coalition Relations

AU3001085096 Budapest NEPSZABADSAG in Hungarian 27 Jan 96 pp 1, 8

[Interview with SZDSZ Chairman Ivan Peto by Peter Vajda and Attila Zsoldos; place and date not given: "The Partners Have Become Used to Each Other in the Coalition"]

[FBIS Translated Excerpt] [Passage omitted] [NEPSZABADSAG] The government was criticized at your December 1995 delegate meeting for its delay in working out the reform ideas and because its "clumsy information policy" often did not help the chances of economic stabilization. Has the situation changed?

[Peto] This was partly criticism and partly self-criticism, because we are also part of the government. Progress has been made in drawing up the reforms. With the participation of the two coalition parties' experts, some quite thorough work has been in progress since the beginning of the year and, in my view, there is a strong determination in the Finance Ministry, as well as in the Hungarian Socialist Party [MSZP] and the Alliance of Free Democrats [SZDSZ], to make or prepare the most important decisions on the reform of the state administration this year. As for public relations activities, one can never be satisfied, especially in government. I could quote further examples of the government's missed chances.

[NEPSZABADSAG] For example?

[Peto] For example, currency convertibility was announced with an incredibly large fanfare in the Czech Republic, while it was done very quietly here. I do not think that two years ago anyone thought that he would be able to go to the bank at any time and buy foreign currency for up to 200,000 forints [Ft]. Or that he could use his credit card for foreign currency anywhere in the world to the value of as much as Ft50,000. Another such issue is that of the extra privatization income, which was a serious achievement, as is the fact that the country's financial situation has never been as stable as it is now since 1984. Instead of making people aware of these, interest has mostly been focused on the debate on the methods of using the extra privatization income. [passage omitted]

[NEPSZABADSAG] A few months ago, people were betting on how much longer the coalition had. This issue has died down since then. What is the reason for the silence?

[Peto] Since closing the great debate on government restructuring, the coalition seems to have functioned more calmly and in a more consolidated way. Regarding the budget, many issues emerged that would have created a huge scandal and sharp debate a year ago. I believe that the partners have become accustomed to the coalition and each other. I am assuming that the MSZP now has a better knowledge of the SZDSZ and knows the value of its statements and gestures, and the same applies to us with the MSZP. We have learned many things. This does not mean that coalition conflicts will not occur in the future, but we will hopefully be able to handle them at their value. Presumably the political environment also influences the coalition's operation. The opposition parties became very upset when coalition politicians said that there was no realistic alternative to the current government. This statement was made when the cooperation called civic alliance still had a chance and the Independent Smallholders Party [FKGP] announced that it would come up with an earthshaking alternative government program in November. The chance of the civic alliance cooperation has temporarily or completely disappeared. The FKGP did publish its program, but no one took any notice because it was so empty. It must be realized that, in whichever direction the two coalition parties look, they cannot find allies in the near future, and no other coalition can be seen as a formation suitable for government. It is a question of sink or swim.

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[NEPSZABADSAG] Have the heads of the two parties also become used to each other?

[Peto] My personal relationship with the prime minister has also consolidated. We have become used to each other and have established personal tactics on how to handle each other. We avoid confrontations and those opportunities for statements that might possibly sharpen the differences of views.

[NEPSZABADSAG] Returning to the opposition parties, do you share the view that the opposition groups that were thinking in terms of the civic alliance not so long ago have now shifted strongly to the right?

[Peto] I am reluctant to use the terms right wing and left wing. For example, that section of the Christian Democratic People's Party [KDNP] that is making overtures to the Smallholders represents a truly state-socialist stance on the most important economic and welfare policy issues, while their views can be called right wing on ideological issues. This distinction also applies to the two newly visible groups of the Hungarian Democratic Forum [MDF]. Therefore, such descriptions have to be used carefully. Rather than the so- called issues of world view, I believe that the political tactics that they wish to follow delineate the differences between the opposition parties and in their internal debates: Can they consider some form of election cooperation with the FKGP possible? On this point, I can see significant differences between the KDNP's and MDF's groups that are heading in a similar direction. It seems that the KDNP cannot turn into a serious and substantial party even under Giczy's leadership, it cannot produce any personalities who could be considered as independent governmental factors. On the other hand, the MDF can only produce leaders. The opposition would have a serious chance at the next elections if it were able to present a joint list. However, it is hard to imagine the KDNP, and especially the MDF, having a joint list with the FKGP.

[NEPSZABADSAG] Not even if the Boross-Lezsak duo led the MDF?

[Peto] Not even then, because it would mean the effective end of the MDF. There is no doubt that the FKGP led by Jozsef Torgyan would grind up its allies.

[NEPSZABADSAG] The assumption that the FKGP's advancement would be a temporary tendency has been proved wrong. What do you think of the Torgyan phenomenon, especially in light of the fact that the majority of those leaving the MSZP and the SZDSZ choose the FKGP? This also applies to the other parties.

[Peto] The assumption that I also held a year ago, namely, that the FKGP's increased popularity would stop at 15 percent, has indeed proved to be false. This is an interesting phenomenon, because, while the FKGP and the MSZP alternate at the head of the popularity lists, Torgyan's personal popularity is not at all so great. As the popularity increase of parties and party chairmen has so far gone hand in hand, this is not a common phenomenon. In addition, the FKGP's popularity index has been unchanged for months, so it seems to have reached a limit that it cannot surpass. It has often been asked if this is similar to what happened before, in the case of the Federation of Young Democrats-Hungarian Civic Party [FIDESZ]. In my view, the similar element is that, in the current public opinion poll system, the simplest way to express dissatisfaction with politics, the circumstances, and the government is by supporting the FKGP. Therefore, this is an expression of protest.

[NEPSZABADSAG] However, the MSZP also won partly with the protest votes....

[Peto] This is true but the electors always considered the MSZP as a factor suitable for government, but not even all the FKGP's own sympathizers see the FKGP as such. An opinion poll was recently conducted that has not yet been fully processed. In this, it was asked: If X or Y were prime minister, would the situation be better in education, in the economy, and in various other areas? The final result reflects major skepticism; namely, people do not expect a real and visible change from whomever happens to be in power. They are skeptical about the possibilities of politics. However, it gives cause for the moderate optimism that, in the opinion of the majority, the situation would be worse than now, in all areas mentioned in the question, if Torgyan were prime minister. It is rather difficult to achieve election victory in this position, but I would not like to underestimate the, let us put it this way, danger hiding in the Smallholder phenomenon. If Torgyan cannot produce politicians suitable for government in the eyes of the public, in my view, this is not a dangerous phenomenon, even though it is not favorable.

[NEPSZABADSAG] To what do you attribute the fact that the opposition has for years been doing all it can to demonize the SZDSZ in some way? The FIDESZ has also been strongly attacking you.

[Peto] The Hungarian right wing has simply not been able to imagine, either before 1989 or since, that a type of party such as the SZDSZ could be so successful. As it is difficult to admit that their knowledge of society and ability for political analysis was bad, it is easier to explain the SZDSZ's successes through some irrational and unearthly power, or at least one that is difficult to explain. As for the FIDESZ, rivalry with them has been constant, although changing in intensity, since the

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change of the regime. The FIDESZ expected much from the 1994 elections, but it remained way below these expectations and cannot forgive the SZDSZ for this. They still see us as their main opponent, because, according to some kind of measure, another liberal party is definitely more successful than the FIDESZ, and it has succeeded better in keeping its identity and voters.

[NEPSZABADSAG] So do you still see the FIDESZ as a liberal party?

[Peto] Basically yes, I do. Within the liberal sphere, the FIDESZ has moved far away from its former position, but I do not wish to dispute that they honestly adhere to liberal values on certain basic issues. [passage omitted]

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B-H: Ministry Accuses EU Official of 'Harming' Peace

AU2901210796 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 29 Jan 96

[FBIS Translated Text] The Ministry of Internal Affairs of Bosnia-Herzegovina today reacted to some earlier statements by Michael Steiner, representative of the international community. We are carrying the statement in full:

To judge from the statements and views of Michael Steiner, deputy of the EU's high representatives, the implementation of the civilian part of the Dayton agreement in Sarajevo has assumed forms and methods that, as such, are not envisaged in the text of the peace package.

In his public statements, Michael Steiner, without any support in the provisions of the peace agreement, is announcing the organization of a mixed police force, whose members will be former Muslim and Serb soldiers, provided that they are not war criminals. In the talks with the Serb side, Steiner [words indistinct] announced a possibility of public law and order being maintained by Serb police. [words indistinct]

It is superfluous to explain to what extent statements and views like these are harming the overall peace process in Bosnia-Herzegovina, a process in which, among other things, there are strictly laid down rules and deadlines for the return of the occupied territories around Sarajevo to the control of the Bosnia-Herzegovina Federation authorities.

In connection with this, we remain Michael Stainer of the provision in Annex 4 of the Dayton agreement devoted to constitutional principles, Article 3, paragraph 2, that provides that it is the entities that are to provide a secure and protected environment for all those under their jurisdiction. This means that on the territory of the Bosnia-Herzegovina Federation, only the Federal Ministry of Internal Affairs will have such powers. It will also have the authority to form the police on the territory of the Federation, police forces that, we must remind Mr. Michael Steiner, have been multiethnic and multiconfessional since the beginning of the aggression against Bosnia-Herzegovina, forces that successfully performed their duty to protect citizens and property in war conditions regardless of their nationality, religion, party, or any other affiliation.

In connection with this, we want to stress that the Republic and the Federation of Bosnia-Herzegovina and its police, according to Article 1 of Annex 11 on the international police forces, are capable of protecting public law and order and human rights and freedoms according to proclaimed internationally recognized standards.

Such statements and views of Michael Steiner, to put it mildly, cannot be considered well intentioned and are not part of the agreed implementation of the civilian part of the peace agreement for Sarajevo, as Steiner's version of the creation of a mixed police force is not the way to the reintegration of the occupied parts of Sarajevo as a unified city, but a way toward freezing the situation that has emerged as the consequence of the aggression on Bosnia- Herzegovina.

In this context, we demand only one thing: the strict implementation of what was initialed in Dayton and signed in Paris. According to the procedure agreed and the deadlines set for military and civilian implementation, Sarajevo should be a territory under the jurisdiction of the Bosnia-Herzegovina Federation. Any other solution or delays represent a violation of the Dayton-Paris peace agreement. In that sense, Michael Steiner and the EU office for the implementation of the civilian part of the peace agreement must be aware of their historical, political, and moral responsibility, the statement by the Bosnia-Herzegovina Ministry of Internal Affairs points out.

B-H: SPS Head Convinced Party Will Win Elections

AU2501210696 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 25 Jan 96

[Interview with Dragutic Ilic, president of the Socialist Party of Serbia, SPS, in the Serb Republic, by Ljubislav Aleksic, place and date not given — recorded]

[FBIS Translated Text] [Aleksic] What are the results of your talks with Serbian President Slobodan Milosevic?

[Ilic] The talks with the president were useful, as always. Naturally, on this occasion, we again gave priority to the interests of the people, just as we did when there was war. The fact that, in this manner, we also indirectly helped the authorities to remain in power, that is, to reduce the dissatisfaction of the people with the authorities, was not important for us. We always gave priority to the interests of the people, and the people will be able to judge very well who is working for their interests and who for personal interests.

[Aleksic] What is the first fruit of peace, if one can use this expression?

[Ilic] The first fruit of peace is that the people have started to get accustomed to peace. For the first time, one can hear music there; for the first time, people truly believe that peace is possible and that it will last; people

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have started thinking about reconstruction, production, and living from their work instead of from humanitarian aid.

[Aleksic] You spoke about the goals championed by your party. Who can you rely on in this direction?

[Ilic] As your television crew visited Brcko on Sunday, you were in a position to see what an impressive gathering that was, how greatly the people were interested in my speech. Afterward, people came to me and told me that they had been waiting for four years to hear something of the kind, somebody speaking to them about the future and not the past.

We are counting on all these people who paid the high price for mistakes, who experienced it all on their own skin. We count on all honest and honorable people who want to stay in this area and create a better future for our children, so that our children will be able to stay here and we, the older generation, will be able to lead our grandchildren by the hand rather than watch them on video tapes when our children are scattered all over the world.

Therefore, we are counting on all these people, and we are absolutely convinced that we enjoy the support of the majority of the Serb Republic citizens and that we will win at the elections.

B-H: Serb Socialists Outline Aims, Prepare for Elections

LD2701144296 Belgrade TANJUG Domestic Service in Serbo-Croatian 1352 GMT 27 Jan 96

[FBIS Translated Text] Banja Luka, 27 Jan (TANJUG) — The committees of the Socialist Party of the Bosnian Serb Republic in Serb Sarajevo (Grbavica and Ilidza) will continue their work within the Muslim-Croat Federation and will endeavor to convince people not to leave, Dr. Dragutin Ilic, the chairman of the Socialist Party of the Serb Republic, said at a meeting of the main committee of the party in Banja Luka today.

The main committee assessed that the most important tasks in the republic were the revival of the economy, the return of refugees, the solution of humanitarian and social problems, the holding of elections in Bosnia-Herzegovina, the implementation of the peace agreement, and the protection of Serbs in the Muslim-Croat federation.

The focus of the activities of the Socialist Party of the Serb Republic would be on the further internal development of the party, the presentation of its programs and cadres to the public, and preparations for the forthcoming parliamentary elections.

"The Socialist Party of the Serb Republic has demonstrated the ability to make very rational decisions at difficult moments and to bear the responsibility for their implementation. We have always supported the peaceful policy of President Slobodan Milosevic and put it into effect 'on the ground,' thereby making our modest contribution to peace," Chairman Ilic said.

He particularly stressed the assistance that the Socialist Party of Serbia was giving the people of the Serb Republic, describing it as a reflection of a correct attitude toward the authorities of the republic as well.

Speaking about relations with other parties, Ilic stressed the desire for cooperation with left-wing parties and with any others that promote a spirit of tolerance and democracy.

The session of the main committee of the Socialist Party of the Serb Republic was also attended by Dragutin Brcin, member of the executive committee of the Socialist Party of Serbia.

B-H: Krajisnik: RS Elections When Conditions 'Ripe'

LD2801120596 Belgrade TANJUG in English 1128 GMT 28 Jan 96

[FBIS Transcribed Text] Belgrade, January 28 (TANJUG) — Republika Srpska [RS, Serb Republic] Parliament Speaker Momcilo Krajisnik said that he expected democratic elections to be organised when conditions are ripe, and expressed hope that this would be soon.

Krajisnik met in Pale Saturday with the head of the mission of the Organisation for Security and Cooperation in Europe (OSCE), U.S. Ambassador Robert Frowick, to discuss the organisation of the forthcoming elections in Republika Srpska, the Serb state in the former Yugoslav Republic of Bosnia-Herzegovina.

Thanking Frowick for his visit Krajisnik said that there would be 'similar visits in the future to arrange details on the organisation of democratic elections in RS,' the RS news agency SRNA reported.

After his talks with Frowick Krajisnik said that equality and fair play would be observed at the forthcoming elections and said 'let the best man win'.

He said they also talked about the problem of Sarajevo for which Frowick expressed full understanding.

According to the Dayton accord Sarajevo is to become part of the Muslim-Croat federation in Bosnia so that some 120,000 people living in the Serb parts of Sarajevo threaten to leave if the international community does not offer them guarantees of security.

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Frowick said after the talks they expected the successful settlement of the questions of freedom and democracy.

B-H: Official Urges Refugees To Vote in Elections

AU3001111096 Sarajevo NOVA BOSNA in Serbo-Croatian 24 Jan 96 p 9

[Interview with Kasim Trnka, Bosnian ambassador to Zagreb, Croatia, by Azra Terzic; place and date not given: "How Will Refugees Vote?"]

[FBIS Translated Text] In Bosnia-Herzegovina extensive preparations are under way to organize elections, which are supposed to take place six or nine months after the signing of the agreement in Paris. After last Sunday's meeting in Stockholm, Sweden, which dealt with the elections, the election campaign has already started. The ruling parties are hoping for success among the people again, while the opposition is getting involved with the election campaign more and more vociferously. What will happen in the elections and how is best shown by the assessment that those who distribute the most relief aid will win, that is, those whose parcels bear the greatest number of party stickers.

That the elections are indeed forthcoming is becoming obvious thanks to many public opinion polls conducted among the citizens of Bosnia-Herzegovina, asking them for whom they will vote, and whom they would entrust with leadership over new Bosnia-Herzegovina. If this tempo is maintained, it can be expected that the elections in Bosnia-Herzegovina will take place even sooner than agreed in Stockholm. This is indicated by the fact that the resignation of Haris Silajdzic could accelerate this process.

International Control

On the meeting in Stockholm, at which all international representatives gathered, the organization of elections in Bosnia-Herzegovina was discussed. We talked about this issue with Kasim Trnka, Bosnia-Herzegovina's ambassador to Croatia. As is known, the Dayton agreement has authorized the OSCE to prepare and supervise the conduct of elections in Bosnia-Herzegovina. At the same time the OSCE can engage other organizations that could be helpful in performing those tasks. The OSCE already has its mission in Sarajevo and six other regional centers, and has already established its offices in 30 municipalities, in order to prepare the holding of elections. In accordance with Annex 3 of the Dayton accord, the conference will form a transitional commission in which representatives of the Republic of Bosnia-Herzegovina, the Federation of Bosnia-Herzegovina and the so-called Serb entity, as well as representatives of many nongovernment organizations that will assist in preparations of the elections, will take part.

Nine Elections

[Trnka] The meeting was called with the help and organization of the Swedish Government. More than 150 participants took part, including the representatives of the legal authorities of Bosnia-Herzegovina, the representatives of all the opposition parties, and of the Bosnian Serbs from the temporarily occupied territories. The aim of the conference was to conduct a preliminary debate, to note down all issues that will arise regarding the elections, and to get organized for the coming extensive activities. Unfortunately, I have to say that already one month has passed since the signing of the Dayton accord in Paris. One month has gone, and according to the agreement the elections in Bosnia-Herzegovina are supposed to be held six to nine moths after the signing of the accord. At the meeting the fear was expressed that the elections in Bosnia-Herzegovina will not be possible to organize within the first six months, and they could be held only in late August this year.

[Terzic] How will the elections be organized?

[Trnka] Nine elections are supposed to be organized, starting with the elections for local, cantonal bodies, the assemblies of the entities, the parliament of Bosnia-Herzegovina, the Presidency of Bosnia-Herzegovina, and the presidency of the so-called Serb entity. A dilemma arose whether it would be possible to conduct all of those nine elections at the same time, or whether it would be more rational to hold elections on two occasions. The Bosnia-Herzegovina delegation took the attitude that the elections should be held simultaneously, or even that the local and cantonal elections be organized first, since they will bring forth organs for a higher level of authority. The Stockholm conference was divided in two groups, of which one examined the political environment in which the elections will take place, while the second was predominantly engaged in expert questions regarding guidelines for electoral system, electoral rules, distribution of mandates and a series of other questions that, at first sight, appear to be of narrow expert character, while having, in fact, a considerable political dimension.

[Terzic] How successful will those elections be when so many citizens are out of the country, and over 200,000 have been killed or are missing?

[Trnka] It was agreed that all the components of the peace process should be implemented in a synchronized way. It is hard to expect successful elections if the

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military component fails to be implemented in Bosnia-Herzegovina, and it will largely depend on IFOR and the international police force to secure safety for all the citizens and their property, and also conditions for the return of refugees in the country. It was agreed that such a media environment should be created where freedom of expression of different interests will be guaranteed. At the conference the registration of all political parties with the transitional commission, which has an international character, was particularly insisted on, as was the securing of a fair political campaign throughout the entire territory of Bosnia-Herzegovina.

[Terzic] What did the Serb representatives talk about?

[Trnka] The representatives of the so-called Serb entity came to Stockholm led by Milorad Dodig, who calls himself an independent deputy in the so-called Serb assembly. Experts of the so-called world entity were also there. At the two-day conference, which indeed represented a spectrum of different ideas and questions, I think that the OSCE finally obtained a foundation enabling it to undertake further steps. In the end it was agreed that by the end of the first month the constitution of the election commission should be completed. By mid-February electoral rules are supposed to be adopted, which will be in a way an electoral law in Bosnia-Herzegovina, which will also regard rulings that the international community has imposed in a way. Obviously, it depends on the success of this activity whether citizens will indeed be able to express their will freely, and to elect a structure of democratic authority that will be able to secure a stable democratic development in Bosnia-Herzegovina. The stabilization of political circumstances in Bosnia-Herzegovina will depend on the outcome of this action. A great number of participants in the debate stressed that without democratic processes in the neighboring countries, namely Croatia, Serbia and Montenegro, it is difficult to talk about democratization of relations and democratic and free elections in Bosnia-Herzegovina.

Formal Act of Voting

[Terzic] You have not given a precise answer to the question about how refugees abroad can vote. Can you explain to us how that is planned to be carried out?

[Trnka] That question is not only about a formal act of voting. It is rather about participation and the electoral process, which means that they have to take part in the candidacy procedure, the registering of political parties, expression of their opinions through different media, and this necessarily implies a great role of the media that have access to all the refugees. We insisted that the international community should assist by material means the installment of satellite television, and make it possible for the program of Radio-Television Bosnia-Herzegovina to be broadcast. The essence can be seen in the demand that the first step should be the registration of our voters who are in diaspora or refugees abroad. At this point it was particularly underlined that Bosnia- Herzegovina, or rather its Institute for Statistics, possesses complete data on the 1991 census, so that for each inhabited place in Bosnia-Herzegovina it is possible to reconstruct to the last name the structure of the population that used to live there. We will have to closely cooperate with diplomatic-consular missions of Bosnia-Herzegovina throughout the world, which have their own records for the issuing of passports, and to try through contacts with host countries to update the electoral rolls. Every citizen of Bosnia-Herzegovina who has taken refuge abroad will be able to demand a check of his entry in the electoral rolls. They should become as much involved as possible in the campaign to register political parties and offer themselves as candidates for those communities where they were registered by the 1991 census.

[Terzic] How will the mechanics of voting be organized?

[Trnka] The mechanics of voting will be organized in such a way that citizens of Bosnia-Herzegovina who do not return to the country before the elections will be able to vote, either by mail or personally at diplomatic missions of Bosnia-Herzegovina, or in some other public place specially designated for that purpose, in accordance with arrangements made with local authorities. The representatives of the majority of the countries taking part in the conference in Stockholm expressed readiness to assist us in holding elections in each of the countries where there are refugees from Bosnia-Herzegovina. Almost none of the countries is prepared to make public or available lists of refugees. That will be a minor difficulty. Much effort will be needed to find out where people are.

[Terzic] What does that mean, for instance, with regard to the temporarily occupied territory?

[Trnka] In the so-called Serb entity, according to the 1991 census, there used to be 1 million citizens of Serb nationality, and around 900,000 non-Serbs. The aim of these elections is to show, at least approximately, that according to that data it is neither a Serb republic, nor is it any sort of Serb land. We want to carry out a democratic reconstruction in that region, and to prevent certain things from happening again, like, for instance, the existence of just one party and just one leader in the so-called Serb entity. Conditions for political pluralism ought to be created there.

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[Terzic] Can going to the polls endanger the refugee status of our citizens abroad?

[Trnka] At the conference it was particularly underlined that refugees' statements on going to the polls will in no way affect their refugee status. That provision in the Dayton accord is considered to be a political provision as well. The decision to go to the polls should not cause the refugees to be afraid that their refugee status might be endangered. In all this, however, one should distinguish between the problem of refugees and their return and the problem of voting in the elections. Which is to say, refugees will be able to stay peacefully in their homes in Frankfurt, for instance, and vote by mail or go in person to the consulate and cast their ballots.

[Box, page 9]

[Terzic] Who will finance the elections and how much it will cost?

[Trnka] At the first meeting in Stockholm it was clear that the problem of financing the elections is still open. The OSCE does not have enough funds for such a big undertaking, and it will be necessary to accomplish full coordination among all the subjects involved in the implementation of the Dayton accord, from IFOR, the civil police, to the commission for return of refugees and local authorities in both entities, the media, political parties and so forth.

[Box, page 9]

[Terzic] Certain calculations have already begun that it will not be possible to hold the elections within the given deadline, whereas we have just heard that there is a possibility of voters' going to the polls even earlier?

[Trnka] It has been asked what will happen if the elections do not take place within nine months. Which means that the parties in the peace process would have to decide what to do, and that would imply the failure of the implementation of the peace accord, because without a democratic shift of the authorities we can hardly talk about the success of the peace process in Bosnia-Herzegovina.

I want to point out in particular that we particularly care for refugees' voting for candidates in the communities they originally left, in order to make it possible for us to reconstruct through the elections those structures of population and authorities that would reflect in the best possible way the national structure of the population from the year 1991.

B-H: Kljujic Sees Silajdzic as Uniting Opposition

AU2901190396 Zagreb NACIONAL in Serbo-Croatian 26 Jan 96 p 4

[Commentary by Stjepan Kljujic, ethnic Croat member of the Presidency of Bosnia-Herzegovina and leader of the Republican Party: "Haris Silajdzic at the Head of United Opposition Is the Only Real Alternative to Alija Izetbegovic!"]

[FBIS Translated Text] The disunity in the SDA [Party of Democratic Action] leadership is a natural consequence of the current situation and it would be good if the reason for the conflict were reasonable and important. If it is a clash of the generations and a struggle for a larger share in the club's treasury, it will be a handicap for all of us. If, however, the conflict is a struggle between the old and the new, or, as Western analysts like to put it more precisely, between the modern and the conservative, it could be good for Bosnia-Herzegovina. At the moment, nobody is seriously asking what Silajdzic is capable of, but rather what he wants. If he decided to base his struggle on the principles of a free, democratic, secular, and civic multinational Bosnia-Herzegovina, then this would be the central election event in our country. Otherwise....

When, last summer, the conflict between Alija Izetbegovic and Haris Silajdzic broke out for the first time, I was in charge of those who settled the quarrel between the two. Silajdzic did not appreciate our support very much, but Izetbegovic said at one stage that we were blackmailing him. And he has never forgotten that or forgiven us, particularly me. Then, as had often happened before, I was not only patriotic, but looking a little further. The moment for a conflict in the leadership was not favorable; it was at the same time that Karadzic and Mladic were clashing in Pale and any kind of coincidence could have been fatal for us. Apart from that, our liberation struggle was intensifying and we needed unity, not only within Bosnia-Herzegovina, but also with Croatia. I told them all that, having indicated that the situation in Bosnia-Herzegovina had improved, that the people had freedom and enough food, though perhaps I was enjoying the struggle between the factions in a totalitarian party, perhaps I could have stimulated them, too. [sentence as published] Meanwhile, it was a tough time. We were working for a common cause, but everybody understood that the conflict had only been postponed and that at some later stage it would resume. I was even told by a leading SDA official:

"Your support for Haris Silajdzic is in vain. He has no support in the party any more. We have even been talking about a dozen people from the provinces from whom to find a substitute."

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Recently, in some kind of eerie calm, a transfer of personnel started, with a few prominent advisors in the highest state bodies, practically on Alija Izetbegovic's staff, resigning. All of this was accepted peacefully and without question. Knowing the people concerned, I should have expected something like that, because those people have marvelous sensors: They had been close to the top of the Communist regime and surfaced again, so it is hard to believe that they would resign and leave a table full of food. They have been working in one camp and simultaneously, in secret, founding another. I expect that they will now be in Silajdzic's team.

Challenge for the Prime Minister

A while ago, the party struggle for nomination started and that means that in a certain way new ratings for individuals was made public. In line with rights and interests, the fiercest struggle took place over jobs in the Federation, because that will effectively be the authority in the part of the republic in which we will be living and working. Silajdzic was thought of as the federal prime minister, the president of the Ministerial Council. This would effectively mean his elimination, because that body will be active only until the elections take place. Afterward, it will be enlarged with the Serb community members and will operate in extremely difficult circumstances: not only because of the quest for a common language in such a heterogeneous team, but, above all, because of trying to govern at the federal level in line with the modest Dayton provisions.

Silajdzic has probably been also offered something else and something less: perhaps to succeed to Muhamed Sacirbegovic, his disobedient minister, or to sit in our mission in New York or in some ambassadorial residence. Aware that any such outcome would represent his political removal, it seem that Haris Silajdzic has chosen to fight. During the war, he was very popular abroad. When, late in 1993, he returned home and became prime minister, he received everything: He earned my support, linked it with the sympathy and support of the west, and started to reorganize the government after the incompetent Hadzo Efendic and the diverted Mile Akmadzic. Everything developed very quickly. However, Silajdzic has been avoiding making any major decisions, aware that he has no financial means.

Meanwhile, as we have seen, there is nothing new in the west [among the Herzegovia Croats]. Nothing has changed over there after they appointed Bozo Rajic as leader of the HDZ [Croatian Democratic Community]. True, I must be fair and recall that the current HDZ leader once gave the most beautiful welcoming speech for me. However, that was a long time ago, at a time when he was personally very loyal to me, that is, when he supported a united Bosnia-Herzegovina. SDA Secretary General Ceman regards his appointment as the continuation of the "hard" line of the Herzeg-Bosnian Croats, which is considered sufficient reason for the SDA to respond to it in the same manner in the recent plenary session. And it is precisely that line that either needs Silajdzic to be obedient or does not need him at all.

As the elections, according to the Dayton agreement, must take place by September at the latest, though it has not even been determined yet who has the right to vote or where the elections will take place, it is clear that the election campaign in Bosnia-Herzegovina has seriously started.

The civic opposition, consisting of the former Communists and of my Republicans, cannot take any stand toward the faction struggles in the ruling parties. Today, it is important whether one can find politicians ready to cure hatred, build foundations for the modernization of Bosnia-Herzegovina, in which privatization is most important, and obtain economic help from friendly countries. That is the only way for the future. This is because if we do not make two things possible for the victims of war, as the majority of the citizens of Bosnia-Herzegovina are, that is to return to their land and to earn their living, anything else will lead us all to disaster.

Of course, there are very clear principles of selection: The aggressors, war profiteers, and war criminals cannot go with us. And we must be united in our struggle to punish them and eliminate them from political life. However, a program for of the revival of Bosnia-Herzegovina, with all the war and pre-war causes, will be what divides those who favor Bosnia-Herzegovina and those who want to continue to destroy it. And one can destroy it even with intentions that sometimes sound like good ones.

Therefore Haris Silajdzic's move to join the battle is a courageous and polysemantic act. He must now choose the road and the program. All of us have only one task: to create a HOMELAND [capital letters as published] for all who want it and to use the great help offered by the international community, which sometimes looks like a protectorate (which I think is good), to secure a better future and once and for all join the circle of free and democratic countries, in which civic and human rights will exist and not only be talked about. Our objective, therefore, must be a better and happier future. There are so many unfortunate and oppressed people who must not be deceived again. After all, those who have been struggling to gain power should think

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about that, too. What do they need power for, if there are no people?

I do not know all the reasons that have led Silajdzic to engage in the battle, but I salute his decision to fight. Because that must be our common task. The battle will be long and exhausting. We must not be disappointed even if the results of the first elections are not to our liking. Everyone should always keep in mind Clinton's words from Paris:

"You cannot improve your past, but you can make your future better and more pleasant..."

If that was Haris Silajdzic's motive, then it is important not only for the political career of a man loved by the people and respected by well meaning Western politicians, but it is also a move of greater importance...

B-H: Opposition To Probe Into Silajdzic Resignation

AU3001131796 Hanau NOVA BOSNA in Serbo-Croatian 30 Jan 96 p 5

[Report by O.D.: "The Assembly Must Review the Reasons Behind Silajdzic's Resignation"]

[FBIS Translated Text] Sarajevo, 28 Jan — The Coordination Committee of Opposition Parties — the Social Democratic Party [SDP], The Union of Bosnia-Herzegovina Social Democrats [UBSD], the Muslim Bosniak Organization [MBO], the Croatian Peasants Party, and the Republican Party — will request at the upcoming sessions of the republican and federation assemblies a review of the reasons behind Republic and Federation Prime Minister Haris Silajdzic's resignation. This was announced at the committee's press conference in Sarajevo.

According to UBSD Vice President Sejfudin Tokic, it is crucial for Bosnia-Herzegovina's future that problems pertaining to the functioning of state bodies and the Assembly are solved, and the Government constituted. It is less important who will be prime minister, than how the whole system functions.

Tokic foresees problems in the work of the future government, which, in his opinion, will be a two-party government and in which political ability will be dominant.

"This concept of rule presents the fundamental problem in implementing the federation," Tokic said.

Fuad Carkic (MBO) believes that there is no coordination between the two ruling parties, the Party of Democratic Action and the Croatian Democratic Community [HDZ], and that is why many problems can be expected. The mandator of the federal government learned about the HDZ's list of candidates from the press. On the other hand, it appears that ministers will be appointed according to party criteria, and not according to expert abilities.

"Parliamentary parties have not been officially consulted in the procedure of forming the government. The governments will be governments of two national parties. Reducing political factors to two parties has already several times shown itself to be damaging," said Esad Zgodic, member of the SDP Presidency.

B-H: Silajdzic Sees 'Totalitarian Tendencies' in Government

AU3001135296 Paris AFP in English 1230 GMT 30 Jan 96

[FBIS Transcribed Text] Paris, Jan 30 (AFP) — Outgoing Bosnian Prime Minister Haris Silajdzic, citing "totalitarian tendencies" within the Bosnian government, said he feared for democracy in his country in an interview published Tuesday.

"It has become clear that a handful of people think they can call all the shots, as if Bosnia-Hercegovina were their private property," Silajdzic said in an interview in the French centre-left daily LE MONDE.

Echoing remarks he made last week to the Croatian daily SLOBODNA DALMACIJA, Silajdzic said that "there are totalitarian tendencies here."

Silajdzic, who resigned 10 days ago, said his decision had not been an evasion but a "commitment to peace."

"There is a resurgence of tendencies that recall the old days," Silajdzic said. "In wartime, when we take decisions without consultation, that is understandable, but in peacetime.... If we allow manipulations within the government, how can we expect to establish democracy here?"

Since announcing his resignation, the prime minister has been criticized by the media, the ruling Party of Democratic Action and Bosnian President Alija Izetbegovic, who said the decision had been "capricious."

The outgoing prime minister cast doubt on the viability of elections, which under the Dayton peace accords must be held by autumn this year. "How can we hold elections when a prime minister doesn't have access to state television?" he asked.

Silajdzic said he was also concerned that "the opposition parties are probably not ready for the next elections."

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B-H: Poll Shows Silajdzic 'Star' Fading 'Rapidly'

AU2901215596 Sarajevo FOCUS in Serbo-Croatian 25 Jan 96 p 4

[Report by R.K.: "Prime Minister Descending"]

[FBIS Translated Text] Our blitz public opinion survey, carried out when Prime Minister Silajdzic withdrew his candidacy for republican prime minister, has shown that the public is very critical of those it loves, particularly if their idol is making moves which, to put it mildly, are totally confusing to the average public.

Not even in our dreams did we expect the results we got. The man who in the majority of polls usually came first or second, sank like the Titanic following his most recent defiant move in the parliament. Of course, the sample cannot be taken as relevant, but it is certainly respectable. We conducted the survey on 150 Sarajevans, 50 Zenica and 50 Tuzla citizens.

In Sarajevo, as many as 91 pollees said they would vote for the Party of Democratic Action [SDA], 37 Zenica pollees shared this opinion, while in Tuzla 38 citizens said the same. It is a shocking fact that Silajdzic has managed to irritate the ones who love him to such an extent that only 30 people would vote for his party (23 in Sarajevo, five in Zenica, and two in Tuzla). However, 44 people would vote for a party without Silajdzic which is not the SDA (26 in Sarajevo, eight in Zenica, and 10 in Tuzla.

Expressed in percentages, if the elections were to be held today, this is what the situation would be: 69 percent of people would vote for the SDA, 12 percent would vote for Silajdzic's party, and 19 percent would vote for some other option.

It seems that in contrast to the first resignation, when he had the support of the majority of citizens, Silajdzic is now rapidly losing, and his star is beginning to fade.

B-H: Silajdzic Stripped of SDA Membership

LD2901193296 Sarajevo Televizija Bosne i Hercegovine in Serbo-Croatian 1830 GMT 29 Jan 96

[FBIS Translated Excerpt] After two days of work the Main Committee of the Party of Democratic Action outlined its main standpoints and resolutions at a news conference today. Hujo Zivaj, the ambassador of the Republic of Bosnia-Herzegovina to Austria, was elected SDA deputy chairman. Dr. Halid Genjac is the new president of the SDA Main Committee. [passage omitted]

New councils of the party were formed and the existing ones expanded. Dr. Haris Silajdzic, the current deputy chairman of the SDA, has been stripped of his membership in the party.

At the session the party discussed its intellectual potential, the existing problems encountered in all walks of life, and the upcoming elections. [passage omitted]

B-H: Croatian Official: Blaskic Extradition 'by Spring'

AU3001100296 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 30 Jan 96

[FBIS Translated Text] The former Croatian Defense Council [HVO] commander who has been indicted for war crimes will soon be extradited to the The Hague War Crimes Tribunal for war crimes committed in former Yugoslavia, Ljerka Mintas-Hodak, assistant to the Croatian prime minister, said.

Brigadier General Tihomir Blaskic, who was indicted for war crimes committed by Croat forces in the Muslim village of Ahmici in April 1993, will be extradited by spring at the latest. He will soon be extradited unconditionally, Mintas-Hodak said, and rejected allegations that the Croatian Government had set conditions for Blaskic's extradition.

U.S. officials announced last week that Croatia had requested that all Bosnian Croats indicted for war crimes be released on bail until the sentence goes into effect, and that all those found guilty should be allowed to serve sentences in Croatian prisons. Mintas- Hodak said that Blaskic would be arrested as soon as the government passes the law on extradition, probably by the end of February.

Blaskic is ready to voluntarily go to The Hague and is just waiting for the extradition law to be passed, Mintas-Hodak said, and added that the remaining six Bosnian Croats indicted for war crimes are in Bosnia, on the territory controlled by the HVO, and that this is why they would not be extradited.

B-H: Kordic, Blaskic Move to Zagreb 'Luxury Apartments'

AU3001130796 Hanau NOVA BOSNA in Serbo-Croatian 29 Jan 96 p 3

[Unattributed report: "Kordic and Blaskic Move to Zagreb"]

[FBIS Translated Text] Dario Kordic, former president of the Croatian Democratic Community in Bosnia-Herzegovina and Brigadier General Tihomir Blaskic, commander of the Croatian Defense Council in central Bosnia, have been given luxury apartments in a new building in central Zagreb, and, despite the fact that

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they are being sought by the War Crimes Tribunal in The Hague, have moved to Zagreb.

B-H: UN's Rehn on Mass Graves, War Criminals

BR3001103696 Helsinki HUFVUDSTADSBLADET in Swedish 28 Jan 96 p 21

[Report on interview with UN human rights rapporteur Elisabeth Rehn by Staffan Bruun: "Not My Business To Dig Up Mass Graves"]

[FBIS Translated Text] "I am not going to Srebrenica with a shovel in my luggage to dig up mass graves.

"I am going to see firsthand where the suspected murders took place. And to study suspected graves, question witnesses, and make preparations for the later excavation of the graves."

These were the words of UN human rights rapporteur Elisabeth Rehn, who will travel to the former Yugoslavia in a week's time. One of her destinations on her trip will be Srebrenica.

"There are many indications that the events there were the worst of the war. But there are mass graves everywhere. I am also trying to get permission to travel to Ljubiva. Thousands of victims are said to be buried in the mines there. The reports of the bloodbath in 1992 are really terrible and gruesome.

"And we should not forget Vucovar either. It is believed that 2,000 murdered Croats were hidden in mass graves outside the town."

[Bruun] How does it feel to investigate something like this?

[Rehn] My first visit to the area lasted nine days. That was far too much. In the evenings I was just screaming with rage. I met people that I know are guilty of bestial acts. Nevertheless I had to keep my feelings hidden.

But when I return to Brussels, it is difficult to take the issues like the date-marking of yoghurt containers seriously.

[Braun] Will the guilty be brought to trial?

[Rehn] I am convinced they will. There will come a day when it will not be in the interest of anyone in power to protect these criminals. Then they will be handed over.

[Bruun] Radovan Karadzic and Ratko Mladic, too?

[Rehn] Them too. Since they are continuing to maintain their innocence, their only chance is to appear in The Hague and prove it. Otherwise they will be beyond the pale for the rest of their lives.

[Bruun] Can the mass graves be obliterated?

[Rehn] How could that be done? It is a matter of so many bodies, such large graves, that this is impossible. And besides there are graves everywhere. Traveling around Bosnia you see newly- dug fields at regular intervals. And nobody should believe that what you are seeing are potato fields.

The United States and the CIA know where the suspected graves are. We can assume that they are monitoring them via satellite. No, the graves will be opened, and the truth about what happened, in Srebrenica for example, will be revealed next spring when the snow melts.

[Bruun] Could the catastrophe in Srebrenica have been averted?

[Rehn] I have seldom read of such badly-led operations as the one in Srebrenica. The United Nations should have ordered air strikes against the Serb positions. The Dutch UN troops did not have an easy assignment, but they made many serious mistakes.

If my mandate as UN rapporteur is extended, I hope the assignment will not only involve finding out what happened and pointing out the guilty. I would very much like to write down the lessons of Bosnia to create a program of action for the protection of civilian populations in similar situations.

I also look forward to devoting myself to something more constructive than opening graves.

B-H: Conflicting Data on Prisoners of War Cited

96BA0091A Sarajevo FOCUS in Serbo-Croatian 14 Dec 95 p 14

[Article by Almina Pilav: "The State of Bosnia-Herzegovina Is Seeking 25,000 Bosnian Muslims and Croats, But the Red Cross Has Registered Only 500!"]

[FBIS Translated Text] "The parties shall free and deliver without delay soldiers and civilians who are being held in connection with the conflict, in keeping with international humanitarian law...." Thus begins Article IX of Annex 1-A of the peace agreement for Bosnia-Herzegovina. This part of the agreement will be implemented after the International Red Cross Committee [MKCK] completes the necessary "consultations with the parties" and obtains comprehensive lists of the prisoners.

How will the plan for releasing the prisoners be carried out, and will the legal provisions constitute an actual guarantee for actual implementation?

Delegations of the MKCK are visiting nearly 4,000 prisoners on the territory of the former Yugoslavia. In

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Bosnia-Herzegovina, there are 1,000 of them being detained at 50 different places. "I am not saying that we are visiting all the prisoners, nor that they are all who are imprisoned," says Nina Paulsen, MKCK spokesperson. So, how many people are actually being imprisoned? According to figures of the State Commission for the Exchange of Prisoners, 25,000 persons are recorded as missing since the beginning of the war. The International Red Cross has figures on 500 persons in Serbian camps and the same number of prisoners on the territory of the Federation of Bosnia-Herzegovina. So, we will be looking for 25,000 Bosnjaks [Bosnian Muslims] and Croats who have completely disappeared; the MKCK, responsible for implementing the prisoner exchange plan, will be requesting from the Serbian side the 500 people registered!

The Helplessness of the MKCK

"There are allegations from witnesses that 3,000 people in Srebrenica were arrested and taken away, and we do not know whether they really were imprisoned. So far, we have visited 164 prisoners from Srebrenica in the Batkovic camp," Nina Paulsen says. However, most of the camp inmates in Batkovic were exchanged back in September, and the International Red Cross Committee is powerless to learn what happened to the thousands who are missing. The question is whether that can be learned at all after so much time? As it has liberated territory under Serbian control, the Bosnian Army each time has discovered and found more and more mass graves. Today, there are about 120 of them on liberated territory alone. It is quite likely that the figures on victims of Serbian genocide will increase, and the number of missing will be reduced.

Exchange of Criminals for Innocent Civilians

The competent officials in the MKCK have this to say about categories of people covered by Article IX of Annex 1-A of the Dayton Agreement: "Exchange of prisoners means exchange of all those imprisoned in connection with the conflict and prevented from leading a normal life, whether they are free (in their own home), imprisoned, or hostages."

The agreement, then, means exchange of mistreated Bosnjaks on occupied territory. It allows for the exchange of civilians whose "normal life" is threatened, and there are such people in cities like Banja Luka. Does this not mean, then, that this Article IX allows the Serbian side to exchange innocent civilians (the elderly, women, and children) for their imprisoned soldiers, and does this signify the occurrence of new waves of ethnic cleansing?

The people in the International Red Cross say that all prisoners will be released at the end of 30 days after NATO takes over the mission of the UNPROFOR [UN Protection Force] in Bosnia-Herzegovina. Or, better put, they "hope 100 percent that the parties will abide by what they signed," because releasing the prisoners is "the first sign of peace on the territory of the former Yugoslavia." Of course, persons accused of violations under jurisdiction of the International Tribunal in The Hague are exempted from the release.

But how will the MKCK behave if, in the exchange, the Serbian side asks for people whom the courts of Bosnia-Herzegovina, as a part of a democratic judicial system, have convicted, for example, of serving in an enemy army, or of some crime? Nina Paulsen says: "That is not something we can decide. The Red Cross is not a police force, nor a legal structure. Our basic aim is to convince the parties to abide by international humanitarian law." Accordingly, the authorities of Bosnia-Herzegovina, adhering to international humanitarian law, would have to grant amnesty to those who have violated that same international humanitarian law in order to exchange them for civilians whose sole error' at the moment of imprisonment was that they were not Serbs, but Bosnjaks or Croats. And such people were not and are not camp inmates exclusively in Bosnia-Herzegovina.

At the exchange in October of this year, Maksim Korac, assistant Serbian health minister, called upon the Bosnia-Herzegovina side to deliver some 100 chetniks from Serbia who were captured in Bosanska Krajina, in exchange for about 800 people of Zepce who are actually refugees residing in the so-called FRY [Federal Republic of Yugoslavia]. Why? Probably because the people from Zepce are in better condition than those Bosnjaks who have been rotting for years in 15 prisons all over the truncated Yugoslavia. The spokesperson for the International Red Cross Committee responds to this as follows: "I honestly do not know that such camps exist. Even if I did know, I would not be able to speak about it, because this is something between the prisoners and those who are holding them."

Serbia—A Country of Camps

However, how can it be solely the business of innocently detained people that they were imprisoned by soldiers of a state which has persistently repeated for four years that it is not at war? Presumably, this ought to be the business of someone whose mission is to obtain the release of civilians, and that is none other than the International Red Cross.

But the MKCK does not know that the mines in Aleksinac, Milosevo near Prijepolje, Uzicka Pozega,

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Soko Banja, Rozaje, the Loznica SRC [expansion unknown], Batajnica in Belgrade, the 4 April Garrison in Belgrade, the military camp in Nis, the collection center in Subotica, the Zorka Factory in Sabac, Sremska Mitrovica, Fruska Gora, the Bor Mine, and the Niksic Prison are places where the detained citizens of Bosnia-Herzegovina are imprisoned.

However hard we have tried to locate the Serbian camps and prisons, it is not certain at all that the Red Cross will succeed in reaching them. Just as it is not certain that freedom awaits even those 500 registered prisoners. The reason is simple; if Article IX of Annex 1-A is not implemented, there are no penalties for those who fail to do so! It is perhaps disappointing, then, to hear Nina Paulsen, MKCK spokesperson, say: "If that part of the annex is not honored, we can only *continue* our work and try to persuade the sides to release prisoners at an increasingly *higher* and *higher* level."

B-H: 'Hundreds' of Refugees Storm Tuzla Red Cross

AU2901135296 Paris AFP in English 1328 GMT 29 Jan 96

[FBIS Transcribed Text] Tuzla, Bosnia-Herzegovina, Jan 29 (AFP) — Hundreds of refugees stormed the headquarters of the International Committee of the Red Cross (ICRC) here Monday [29 January], smashing windows and doors in frustration over the fate of missing Moslem civilians.

The refugees claim the ICRC had done nothing to discover the whereabouts of thousands of Moslems missing since Serb forces overran the former eastern enclave of Srebrenica last July.

Many of the refugees involved in Monday's protest in Tuzla, in northeastern Bosnia, had themselves fled the enclave.

Refugees scuffled with some 15 civilian police at the ICRC offices and smashed windows and doors. An angry crowd of some 500 people gathered outside the building while some 100 forced their way inside, an AFP reporter on the scene said.

The refugees threatened the reporter, mistaking him for an ICRC official. "We're not going to let you out," they told him.

"If you go out you're going to be lynched," aid workers warned him.

Earliers, the refugees had met for an hour with ICRC spokesman Laurent Fellay.

The refugees said there were camps in the Srebrenica area, some in mines, where men were being held, and that the ICRC had failed to investigate the reports and was to blame for the disappearance of their relatives.

Under the Dayton peace accord that ended Bosnia's nearly four- year-long war, the ICRC monitors prisoner releases.

Sharp Bosnian government criticism of the ICRC over its supervision of prisoner swaps has, however, failed to identify specific failings.

However, the human rights organisation is currently campaigning to secure access to a jail in Tuzla where it says more than 110 Serb prisoners of war are being held in breach of the Dayton peace accords for Bosnia.

B-H: Srebrenica Refugee Protest in Tuzla Turns Violent

LD2901160696 Tuzla Radio Tuzla in Serbo-Croatian 1500 GMT 29 Jan 96

[FBIS Translated Excerpt] [Announcer] Our correspondent has just returned from the protest meeting of Srebrenica residents.

[Correspondent] The participants in the protest meeting blocked traffic on the main thoroughfare in the western part of the town. What was planned to be a peaceful protest turned into unrest at the very beginning. Refugees from Srebrenica, Bratunac and other municipalities in Podrinje [valley of the river Drina] threatened foreign journalists and broke car windscreens. They demanded to talk to the head of the Tuzla delegation of the International Committee of the Red Cross [ICRC] and to be given concrete answers about missing residents of Srebrenica and about what the ICRC had done about them over the past seven months. [passage omitted]

[Correspondent] Women from Podrinje were persistent in their demand to obtain information on whether their dear ones were dead or alive, and on their whereabouts. They stressed that they were ready to continue protesting for 15 days unless they are given an answer.

The protesters' dissatisfaction grew by the minute despite the fact that their delegation was in talks with the ICRC head, so they attempted to take control of the building housing the ICRC seat in Tuzla. According to unofficial information, we have learned that around 1400 [1300 GMT] the refugees took control of the Mining Institute building, and that they will stay there until their questions are answered.

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B-H: Srebrenica Refugees Protest Lack of Information

AU3001130996 Paris AFP in English 1207 GMT 30 Jan 96

[By Mark Rice-Oxley]

[FBIS Transcribed Text] Tuzla, Bosnia-Hercegovina, Jan 30 (AFP) — Angry Bosnian refugees took their protest against the International Committee of the Red Cross (ICRC) into a second day Tuesday over a continuing silence on the fate of missing Moslem civilians.

Around 100 refugees, most of them women from the former Moslem enclave of Srebrenica, gathered again outside the ICRC building in this northeast Bosnian city, which they ransacked Monday to protest the international community's failure to trace thousands of mainly male civilians.

The refugees, who finally left the ICRC building at around 9:00 p.m. (2000 GMT) Monday, believe thousands of Moslems missing since Serb forces overran the eastern enclave last July are still being held captive in flagrant violation of the Dayton peace accords for Bosnia.

But despite the continuing protest and the extensive damage done to the building when refugees smashed doors and windows, ICRC officials were adamant Tuesday that neither their mandate to supervise prisoner release nor their tactics of negotiations and persuasion would change.

"Our mandate is based on the Geneva Conventions which have received the support of all parties," Laurent Fellay, the head of the ICRC's Tuzla office, said Tuesday.

"Our work is based on the permanent contacts we have with the parties at the highest levels."

Fellay repeated the ICRC's concern over Bosnian government statements criticising the humanitarian organisation, comments the ICRC said sparked Monday's violent protest.

"There has been in the past weeks unfair statements from the authorities and local media accusing us of being responsible for what has happened and for doing nothing," Fellay said.

"We are fully aware that so far there have only been unsatisfactory results," he said. "But we shall continue to try to find information about the 3,000 men allegedly arrested in Srebrenica last July, as well as about thousands more who tried to escape."

There was a greater police presence outside the building Tuesday, with many officers armed, and the refugee crowd appeared less focused and more disorganized than it had on Monday.

But despite the ICRC's call for greater protection from further possible violent attacks, one officer told AFP that police would not deviate from the rather lacklustre response which arguably enabled the refugee to push their way into the building on Monday.

"We will react in the same way as we did yesterday," one officer guarding the front of the building said. "We will wait for instructions from higher levels if people start attacking the building again."

Tuzla's mayor, Salim Beslagic, who was in Washington, said Monday the incident was "a mistake" and that police "should have stopped them."

But he added, "It proves how important it is to find those missing."

Beslagic said the return of refugees and punishment of war criminals was "extremely important" and noted that his city's population had some 63,000 refugees and 108,000 residents.

B-H: Minister Views Mechanisms for Refugee Return

AU3001072196 Sarajevo NOVA BOSNA in Serbo-Croatian 24 Jan 96 p 10

[Interview with Muharem Cero, Bosnia-Herzegovina minister for refugees and social welfare, by Azra Terzic; place and date not given: "Return by Phases"]

[FBIS Translated Excerpt] In recent days in western Europe and the world there has been vivid diplomatic activity on the return of refugees to Bosnia-Herzegovina. Last week was marked by agreements and dozens of meetings taking place in Sarajevo, Zagreb, Bonn, and Geneva, with the main goal of securing a quicker and safer return of the refugees to their homes.

Muharem Cero, minister for refugees and social welfare in the Bosnia-Herzegovina Republic and Federation Governments, headed our delegation at a meeting in Bonn. The return of refugees from Germany is a question that has to be discussed at the highest level, because Germany is the country that has taken in the greatest number of refugees.

Joint Statement

On the latest meetings in Europe and the return of refugees minister Cero says: "In Germany, I would say, we found both a favorable and unfavorable situation.

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The atmosphere was rather overheated. The Bosnia-Herzegovina refugees got the impression that the German authorities want them to return to the Federation quickly and then to the entire territory of Bosnia-Herzegovina. We felt that it was necessary to discuss the issue with the German side and we proposed a bilateral relationship. Germany conditionally accepted this bilateral relationship, but it dissociated itself from final attitudes expressed at the Geneva meeting. We overcame the situation by issuing a joint statement making it clear that Germany clearly suggests to other host countries that, in addition to multilateral relations and the Dayton formula of return through the UNHCR, one of the ways, and a very useful one, is to find solutions for the return on a bilateral basis, which means in agreement with the legal bodies of the Bosnia-Herzegovina authorities. The most important thing is that we agreed with Germany on the principle of a phased return to the country and not all refugees at once. The refugees will be returning on a voluntary basis. The first statement that the German authorities proposed to us read: "The Return to the Homeland," which meant that all refugees were supposed to return to the Federation. Sticking to the Dayton settlement, we insisted that the agreement should guarantee refugees the right to return to their homes.

New Meeting in February

[Terzic] What did you declare in the joint statement issued at the meeting in Bonn?

[Cero] The joint statement contained the conclusion that the refugees are to return to their homes and homeland, which opened the door to our meeting in Geneva. In the principles that the UNHCR established, it is written: Return to the respective homes. We agreed with the German officials on the return of refugees following a process that will be jointly decided upon by the Governments of Bosnia-Herzegovina and Germany. This means that we shall be able considerably to influence the moment and destination of the refugees' return. We consider that a great success. We shall propose the same to other countries that are hosts to a great number of refugees from Bosnia-Herzegovina. [passage omitted]

Unregistered Refugees

[Terzic] One can still only guess at the real number of refugees from Bosnia-Herzegovina in Germany. How many refugees, realistically seen, will return to the country and how many of them will apply for asylum? What is your knowledge on that?

[Cero] People talk about 320,000 to 350,000 refugees, although I personally believe that in Germany there are far more unregistered refugees from former Yugoslavia. A considerable number are still using the former Yugoslavia or the Republic of Croatia passports. A more detailed campaign and record-keeping shows that in Germany the number of refugees is far greater. Representatives of the German Government have told us that they were still seeing an influx of refugees from Bosnia-Herzegovina. The arrival of new refugees in Germany is a very unfavorable trend. We were asked to influence the movement of refugees. We also talked about refugees who want to stay and apply for political asylum. The host countries, Germany in particular, are afraid of a great wave of refugees who might secure their stay in Germany by way of applying for political asylum. I think that Germany will adjust its legal system to these new conditions with the increased number of cases of asylum seeking so as to make it more difficult for people to stay under such conditions in Germany. [passage omitted]

The Question of Amnesty

[Terzic] At the Geneva meeting, the representatives of the Bosnian Serbs from the temporary occupied territories were present. What did they talk about, and what was their attitude?

[Cero] At the Geneva meeting, there were representatives of the so-called Serb Republic; they were not part of our delegation, but they rather sat together with the representatives of the FRY. I think that it was the last time that they will sit in that delegation. At the next working meeting, they will be sitting in the delegation of the legal authorities of Bosnia-Herzegovina. We had an opportunity to exchange opinions and views regarding the return of refugees. I would not say that they were fully supportive of our attitudes regarding refugees returning to their homes. However, we did notice that for the first time they referred to the state of Bosnia-Herzegovina.

[Terzic] The world is paying more attention to Serb citizens who want to leave areas adjacent to Sarajevo than to the return of refugees to Bosnia-Herzegovina.

[Cero] A great media promotion of that has been made, which is not unimportant, because on that basis a refugee policy will be established in the future within the state of Bosnia-Herzegovina. I would be very happy if the local Serb population remained in their homes. Of course, the question of amnesty is raised, which involves the fact that all adults were active in the so-called Serb army. They were mobilized and took part in the war. In that regard, we will have to do more to influence those people through the media and reassure those who want to stay that they can do so without any consequences.

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IFOR [Implementation Force] Must Guarantee Safety

[Cero continues] In the media in the occupied regions the policy pursued by Pale is still dominant, and from there people are being instructed to leave the region.

[Terzic] How do the world and the Government of Bosnia-Herzegovina imagine that refugees will return to places in Bosnia where horrific atrocities were committed by the Bosnian Serbs? Those regions are still under Serb control and how are those refugees supposed to return there?

[Cero] Experts are working on that question and we are constantly insisting on it. We have raised the question of implementation, because the Dayton agreement is incontestable. I personally think that the IFOR mandate will have to be expanded to include repatriation. If we manage to secure safety with the help of the international police and IFOR, then those returns could be accomplished in the first phase. I have proposed to the Serb side to work out a pilot project on the return of refugees to any region that they designate for such a project. But it appears to me that the Serb representatives did not have a mandate to conduct such a dialogue. We did agree to maintain constant communication.

[Box, page 10]

[Terzic] What was agreed at the Geneva meeting?

[Cero] At the Geneva meeting, representatives of over 80 countries and various humanitarian organizations were present. It was a good occasion to exchange opinions on the return of refugees to Bosnia-Herzegovina. Indeed, the statement that we had signed in Germany was the theme of the meeting. I would say that we had rushed to Germany to get to certain attitudes that would act as guidelines for other countries. Germany is not only the country that took in the greatest number of refugees, but it is also a relevant factor in the policy on refugees throughout Europe. In Geneva different proposals were made. Sadako Ogata, the UN high commissioner for refugees, concluded at the end in a way that was close to our attitudes. We firmly hold the view that certain preconditions for return ought to be secured as the first step. I must say that the Dayton settlement has made it possible for the UNHCR to have a monopoly in the repatriation of refugees. Our opinion that the return should be based on a voluntary principle was taken into account as well, at least for the initial phase.

B-H: Commentary Criticizes Abolishment of Herzeg-Bosnia

AU3001123496 Hanau NOVA BOSNA in Serbo-Croatian 29 Jan 96 p 5

[Commentary by Sejad Luckin: "The End of 'Herzeg-Bosnia'"]

[FBIS Translated Text] The first move leading to the abolition of the self-styled Croatian republic of "Herzeg-Bosnia" has been made. It was decided at the session of the presidency of this parastate in Bosnia-Herzegovina, which is what the local media have been calling it for a long time, to gradually hand over executive authority to the Federation of Bosnia-Herzegovina. Thus, a step has been taken that the Bosniaks in the Bosnia-Herzegovina Federation have been wanting their Croatian partner to take since March 1994 when the Washington agreement was signed. At first glance, there will no longer be any barriers to the implementation of the Federation, or parallel systems of state authority.

The presidency of "Herzeg-Bosnia" however, insists that Bosniaks respond equally in areas controlled by the Bosnia-Herzegovina Army. The Dayton Agreement on the Implementation of the Federation obliges them to do so. Moreover, it is a fact that counties [okrug] still exist, Sarajevo and further, and that no one has publicly said when they would disappear.

It sounds logical that only concrete measures on both sides can strengthen the Federation. However, the move made by the presidency of "Herzeg-Bosnia" was accompanied by certain reservations. The decision, assessed as political, talks about "a gradual transferring of executive power." There is no deadline that limits the process.

Finally, "Herzeg-Bosnia" has not been completely abolished. On the contrary. It will be transformed into the political, economic, and cultural Croatian entity. When it was founded before the war, the same attributes were ascribed to it. And we all know what it turned into.

B-H: Commentary Criticizes Reconstruction Allocations

AU2501205496 Banja Luka GLAS SRPSKI in Serbo-Croatian 18 Jan 96 p 2

[Commentary by A. Anusic: "In the Jaws of Politics"]

[FBIS Translated Text] The international media reported recently on their front pages and in their main news programs that the EU has allocated aid for the reconstruction of Bosnia-Herzegovina to the amount of ECU62 million to "the Sarajevo government." This is the first portion of financial help from "the package" that is expected to amount to some ECU160 million that which

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will be allocated by the European 15 for the revitalization of Bosnia-Herzegovina.

To put it more precisely, this is only a tiny portion of the $5 million quota, which is the sum that the international community will allegedly allocate for the reconstruction of Bosnia- Herzegovina; that is, the reconstruction of the Serb Republic and the Muslim-Croatian federation. There is nothing strange about it at first sight, but there is another problem: The international media have already reported that the EU is presently contacting only the "government of Bosnia-Herzegovina in Sarajevo" and that contacts with the representatives of the Serb Republic will be established later.

This raises the question of whether it is possible to send financial aid for the reconstruction of Bosnia-Herzegovina (the Union of the Serb Republic and the Muslim-Croatian Federation) if the national bank (or the "central bank" as it is called in one of the provisions of the Dayton agreement) has not been established and its president not yet appointed. The same agreement also foresees that this bank will be presided over by a foreigner.

Is the international community already working behind the back of the Serbian people, at the very beginning of the Dayton agreement implementation? Is this not a violation of the Dayton agreement?

Apart from that, there is information leaked by the international media that both the EU and European financial institutions have only contacted (which will allegedly be the case in future too) the representatives of the government of the Muslim-Croatian federation so far. If this is really the case, it raises the question of how and in what way the Serb Republic will receive the aid foreseen by the international community, which is one-third of the total sum to be allocated? Two-thirds will be granted to the Muslim-Croatian federation, as we already know and as has already been reported around the world.

The Serb Republic is, in other words, confronted with a major problem: The question of how to gain access to international financial institutions, especially if all the aid flows into a central bank that is managed by a foreigner. Some eminent Banja Luka economists were evidently right when they warned about this problem immediately after the Dayton and Paris documents were signed. Some models and solutions of how the Serb Republic should gain access to the international monetary funds were proposed in that connection. It was said that the Serb Republic should — regardless of the Union of Bosnia-Herzegovina — work on establishing good contacts with international bankers and other foundations that are willing to support the reconstruction of the Serb Republic. It remains to be seen whether this will be possible, since the Dayton agreement foresees that one central bank will be established that will record all forms of financial assistance.

The EU has already loosened the purse-strings and it is helping — the Muslims and the Croats naturally! The anathema placed on the Serbs — that they are the aggressors — has not been washed away yet, in spite of the fact that they signed the Dayton Agreement to their own disadvantage and despite their cooperation with IFOR [Implementation Force], which is even more correct than of the other two parties to the conflict. That is beyond all the expectations of the international community!

The Serb Republic will, in other words, have to win a big victory in peacetime — in order to make the international bankers change their minds and convince them that the Serb Republic also deserves reconstruction aid. Whether or not this will materialize — since the economy and finances are in the jaws of politics and politicians — we shall see soon.

B-H: Karadzic on Resources, Funding for New Sarajevo

LD2901212896 Pale Srpska Televizija in Serbo-Croatian 1930 GMT 29 Jan 96

[FBIS Translated Text] A statement by representatives of nine municipal committees of the Serb Democratic Party [SDS] at a session in Banja Luka on 26 January said in effect that people should forget about a new Serb Sarajevo, Glamoc, or Grahovo, as the plan itself is damaging to the Serb Republic [RS] and is being abundantly used by our political opponents to claim that resources will be diverted from Banja Luka and [Bosnian Serb] Krajina to build new towns. In reaction, the [Banja Luka-based daily] GLAS SRPSKI has asked Dr. Radovan Karadzic, RS and SDS president, to explain the RS state and political leaders' position with regard to both the construction of the new Serb Sarajevo and the rebuilding of all towns and municipalities in the RS lost in the war, either on the military or political battleground.

The prime geostrategic interest of the RS state and political leadership is to either build or reconstruct all lost towns and municipalities wherever possible, President Karadzic insists. This geostrategic and geopolitical interest includes a plan to build new Serb Sarajevo for the basic reason that we must not allow the eastern part of the republic to be left without the strong concentration of the population, without a strong economic, cultural, and educational center. Otherwise, children and young people will leave this area to continue their education

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and look for jobs in Podgorica and Belgrade rather than Banja Luka, the economic and university center of the republic.

The map of the reconstruction and building of lost towns and municipalities as presented by President Karadzic looks like this: the new town of Serb Kljuc should be built on the location between Donji Ribnik and Gornji Ribnik or between Cadzavica and Sitnica; Sanski Most — in the area between Ostra Luka and Kozarac; Krupa na Uni — in the area between Japra and Hasani; Serb Sarajevo, with the current population of 140,000, should be built in the area under Serb control, i.e., by expanding the area of Pale and Lukavica where 55,000 people already live. The new town of Vukosavlje [Odzak] would cover the Jakos-Pecnik-Brusnica triangle; the Serb municipality of Jajce to cover the area of Jezero; Serb Konjic to be built in the vicinity of Visegrad. A location is being searched for the new Serb municipality of Mostar, which previously had a population of 40,000 Serbs. This town should be located on the Serb section of the coast, if the Serb side succeeds in obtaining it, or in the vicinity of Trebinje.

As for the status of Serb Sarajevo and the 144,000 Serbs living there, President Karadzic's view is clear and resolute: THe Serbs can keep their municipalities under their own control, at least until the multi-party elections. However, if, with the help from the international community, the existing city of Sarajevo is arranged as a district of Serb, Croat, and Muslim municipalities, then, in Karadzic's view, there is a chance that the Serbs will be able to keep their municipalities under the control of their own authorities, even after multi-party elections or rather in the union of the Serb Republic and the Muslim-Croat federation.

There are no ambiguities or dilemmas over who will be responsible for the building and reconstruction of lost towns and municipalities. The responsibility rests with the entire state community, but the main burden will be borne by the authorities in the municipalities in whose vicinity the new towns will be built. These municipalities and investors will be granted various tax concessions to ease the burden of investing in the new projects.

In view of the above, Karadzic described as unfounded and extremely malicious any statement or claim that new towns in the Serb Republic would be built at the expense of someone or something else in the republic; in other words, that Serb Sarajevo will be built at the expense of Banja Luka and Krajina. Insinuations of this kind are punishable because they sow confusion among the population and discord between different municipalities and regions, President Karadzic insists.

Those who are trying to divide the Serb Republic into municipal districts are damaging for the state and should avoid politics, President Karadzic, said.

As for the SDS municipal committees and their attitude to the reconstruction and building of new towns, there are no ambiguities or dilemmas here, either. The SDS municipal committees have their frameworks within which they operate, their political code which they have to observe, and are not expected to comment on decisions passed by the state leadership, President Karadzic insists. The municipal committee can make proposals or write to the party's main committee and the People's Assembly, but in no way should they question the decisions of the RS state leaders, especially not now, in peacetime, when we are faced with large-scale preparations for the reconstruction and consolidation of the Serb Republic and for the party's internal elections and multi-party elections, President Karadzic said.

B-H: Plavsic Says Karadzic May Have Visited Belgrade

AU2901220196 Belgrade NASA BORBA in Serbo-Croatian 27-28 Jan 96 p 1

[Report by "M.P.-N.T.": "Was There a Karadzic-Milosevic Meeting?"]

[FBIS Translated Text] The reason the representatives of the Serb Republic have visited Serbian President Milosevic was the (non)-removal of the Drina River blockade, we were told by Biljana Plavsic, vice president of the Serb Republic. I think that this was the only topic of conversation, she said. However, since she had not heard from the returning delegation, at least not by last night, she was not able to tell us whether the meeting in Belgrade has produced any concrete decisions.

According to Biljana Plavsic's explanation, Radovan Karadzic, president of the Serb Republic, might have also visited Belgrade. On the day when the delegation was preparing to set off for Belgrade from Pale, the vice president [Plavsic] went the other way, to Banja Luka. In any case, our leadership was not complete in Belgrade.

As far as I could understand, it was planned that either Krajisnik or Karadzic, or both of them, go, Plavsic said. One could conclude from her further explanation that the formation of the delegation was not a spectacular event.

Mrs. Plavsic still believes that the reason for not lifting the blockade on the Drina River (which was supposed to be removed on 19 January, according to the promise made by the Serbian president) is of a "technical nature."

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If the blockade has not been removed on 19 January, it will probably be removed in a day or two, she said.

The probable "pilgrims" for Belgrade, Karadzic and Koljevic, were in Pale yesterday (when we telephoned them), but also "at the meetings," as we were told by their offices.

There was not much information coming from the Belgrade center of events either, not even the usual statement. But, the Serbian president's office told us to seek information from the foreign office people. We were told to contact the FRY Ministry of Foreign Affairs, which did not produce any results.

B-H: Bosnian Muslims, Serbs Reach Accord on Media

LD2501205496 Sarajevo Televizija Bosne i Hercegovine in Serbo-Croatian 1830 GMT 25 Jan 96

[FBIS Translated Text] Visits by representatives of the Serb entity to the capital of Bosnia-Herzegovina have become more frequent recently. We have gradually grown used to them. A meeting was held in Carl Bildt's office today between the two delegations. Their talks focused on the media.

The Bosnia-Herzegovina delegation was made up of Mato Tadic, minister of justice; Esad Suljic, assistant minister of foreign affairs; Mirza Hajric, a spokesman of the [Foreign] Ministry; Jozo Leotar, assistant minister of internal affairs; Martin Raguz, deputy minister for refugee affairs and social welfare; and Zeljko Varunek, a representative of the Ministry of Internal Affairs.

The Serb delegation visiting Sarajevo today was made up of Dragan Kijac, minister of internal affairs; Ljubisa Vladusic, minister for refugee affairs; Dragan Bozanic, minister of information; and Nedeljko Lajic, minister of telecommunications.

After this meeting, which was held behind closed doors, Michael Steiner, deputy of the High Representative for the implementation of civilian aspects of the Dayton agreement [Carl Bildt], spoke to journalists.

[Correspondent] The talks were exceptionally frank and productive. It is true that they lasted somewhat longer than planned, but the reason for this was not that the talks were difficult. On the contrary, they were very useful, Mr. Steiner said after the meeting.

The main topic was the civilian implementation of the peace agreement, but, according to Mr. Steiner, the most intensive discussions were on the media.

The journalists were told that an agreement has been reached that in the period ahead the media of both entities should use expressions that must be appropriate for the current situation, that is, they should be in keeping with the peace agreement. It was also agreed that newspapers which appear in the federation should also be distributed in the [Bosnian] Serb Republic and vice-versa — the purpose being to appropriately and objectively inform the public.

Mr. Steiner said that the sides must respect professional journalistic standards, which means that officials of the Bosnia- Herzegovina Federation and of the Serb Republic must be prepared to give interviews and provide information to journalists from the other entity.

Today's meeting also discussed refugees, the police, the elections, and telecommunications. The need was expressed for the soonest possible opening of telephone lines between the two entities. At the end Mr. Steiner said that progress had been made at the talks and that this would also be the case in future meetings.

B-H: Military Cooperation Agreement Signed With Turkey

TA2601104796 Ankara TRT Television Network in Turkish 1800 GMT 25 Jan 96

[Announcer-read report over video; passages within quotation marks are recorded]

[FBIS Translated Text] Rasim Delic, chief of the Bosnia-Herzegovina General Staff, has declared that his country wants to extend the existing diplomatic cooperation with Turkey to the military field as well. A Turkish military delegation headed by Major General Ersin Yilmaz, head of the logistics services department of the General Staff, arrived in (Kakani) to sign the military training and cooperation agreement with Bosnia-Herzegovina. The agreement was signed by Brigadier General Metin Yavuz Yalcin, head of the [word indistinct] department of the General Staff, and by head of operations (Vahit Karamelic) on behalf of Bosnia-Herzegovina.

The military officials of Bosnia-Herzegovina are attaching great importance to the talks, which were also attended by Delic. The talks were held at Bosnia-Herzegovina army headquarters in (Kakani).

[Riza Okur] "Can you give us details about the contents of the agreement you signed?"

[Yalcin] "We signed regarding the areas of military training cooperation between the Turkish Armed Forces and the Bosnia-Herzegovina Army."

[Okur] "What do you mean by military training?"

[Yalcin] "The agreement comprises various areas such as the utilization of the two countries' military schools, exchange of visits, and participation in joint exercises."

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Delic, who participated in the talks, declared that Bosnia-Herzegovina owes its continued existence to Turkey's assistance and that the Turkish army fulfilled its historic duty in this regard.

[Delic, in Serco-Croatian with superimposed translation into Turkish] "The signing of this protocol fulfills a great desire on our part. We are planning to conduct military cooperation with the Turkish Armed Forces in a bid to benefit from their broad historical experience, skills, and capabilities. We want to extend the existing diplomatic cooperation between the two countries to the military field as well."

[Okur] "Are you satisfied with the implementation of the Dayton agreement?"

[Delic] "The implementation was conducted as planned in the first 30 days and the units retreated two km from the contact line. This was one of the critical points in the process. We hope that it will continue in the same way."

Staff Colonel Ahmet Berberoglu, commander of the Turkish brigade in Bosnia-Herzegovina, said the following in connection with the initial implementation of the Dayton agreement:

[Berberoglu] "In the next phase the sides will evacuate places that they will hand over to each other. This activity will continue for about 15 days, and these regions will be swept of mines. These areas will not be handed over immediately. They will be left empty for another three months, at which time the sides will enter and occupy them."

B-H: Turkish Military Delegation Ends Visit

LD2801195796 Sarajevo Televizija Bosne i Hercegovine in Serbo-Croatian 1930 GMT 28 Jan 96

[FBIS Translated Text] A senior military delegation of the Republic of Turkey, with which an important agreement on the armament and training of the army of the Bosnia-Herzegovina Federation was signed, has ended its seven-day visit to our country.

During today's meeting with the delegation, headed by Colonel General Yalcin Ertem, General Enver Hadzihasanovic, the chief of the General Staff of the Bosnia-Herzegovina army, said that he saw Turkey's assistance as the beginning of new cooperation between two friendly countries. General Yalcin Ertem stressed that, after a high-quality training and with additional equipment, the Bosnian army will be smaller in numbers, but more effective in action.

On behalf of the General Staff, General Hadzihasanovic presented the Turkish delegation with a suitable gift.

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Croatia: Tudjman Presents Credentials to New Diplomats

LD2901153296 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 29 Jan 96

[FBIS Translated Text] Croatian President Franjo Tudjman presented credentials to the newly-appointed Croatian ambassadors in the presidential palace today. He presented credentials to Zdenko Skrabalo, ambassador to the Republic of Hungary; to Miomir Zuzul, ambassador to the United States; and to Darinko Bago, ambassador to the Republic of Bosnia-Herzegovina.

Addressing Ambassador Skrabalo, President Tudjman expressed his belief in the further development of friendly relations between the Republic of Croatia and the neighboring Republic of Hungary.

Presenting credentials to Ambassador Zuzul, President Tudjman pointed out the importance of his diplomatic service because he is going to be based in the territory of the main international superpower, with which Croatia has friendly relations and relations of partnership. President Tudjman said that these relations should not only be preserved but also advanced.

Addressing Ambassador Bago, President Tudjman stressed the need to develop the federal relations between the Croat people in Bosnia-Herzegovina and the Bosniak Muslims. He said that the same is true regarding the need to strengthen relations between the Republic of Croatia and Bosnia-Herzegovina, particularly through the joint council for cooperation between the Republic of Croatia and the Federation and the Republic of Bosnia-Herzegovina.

Thanking President Tudjman for the trust shown in them, the three newly-appointed ambassadors expressed their belief in the strengthening of friendly interstate relations with the countries to which they are accredited, in line with Croatian state policy.

The ceremony was attended by Ivo Sanader, head of the president's office; Zeljko Matic, foreign policy adviser to the president; and Gordan Radin, chief of the president's staff.

Croatia: Adviser for Local Administration Appointed

LD2701132196 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 27 Jan 96

[FBIS Translated Text] On the basis of Article 106 of the Constitution of the Republic of Croatia and Article Six of the decision on the office of the president of the Republic of Croatia, the Croatian president has adopted a decision on the appointment of Dr. Franjo Kajtez as adviser to the Croatian president with responsibility for local administration and self-administered municipalities, towns, and counties, and for scientific and technological development. The decision comes into force on 1 February 1996.

Croatia: Talks With U.S. Official on E. Slavonia Noted

AU3001103296 Vukovar Srpska Televizija in Serbo-Croatian 2000 GMT 25 Jan 96

[Report by unidentified correspondent on talks between Slavko Dokmanovic, leader of the eastern Slavonian Serbs, and Robert Gelbard, assistant U.S. secretary of state, in Vukovar on 24 January]

[FBIS Translated Text] Assistant U.S. Secretary of State Robert Gelbard and his associates, top State Department officials, visited Vukovar yesterday and talked to Slavko Dokmanovic, the president of the council of the Srem-Baranja province. As Mr. Gelbard did not want to talk to reporters, Mr. Dokmanovic said the following about the visit:

[Begin Dokmanovic recording] Assistant U.S. Secretary of State Robert Gelbard and a senior delegation visited Vukovar today as part of the implementation of the agreement signed in Erdut, that is, the agreement reached in Dayton and signed in Paris.

We discussed ways of implementing the agreement, by which both sides are bound, and were again firmly assured that the U.S. Government and President Clinton, who have indeed invested a great deal in creating peace in this region, would take all measures for both signatories to abide by the agreement completely.

As you know, both sides are bound by the agreement. We cannot influence the Croatian side; we were assured that the United States and the international community will make Croatia abide by the agreement and we provided firm promises that we would abide by the agreement and act upon what we had signed, which means that we will not ask neither more nor less of the agreement than what is stated in it.

We discussed law enforcement, the police force, and the control of their work for the security of the people who live here, naturally, after the forces are installed here to guarantee safety in the area. This is the second way of guaranteeing the safety of the people in the area. We also discussed the refugees; the agreement anticipates who can live in the area as far as people who lived here and people who were expelled from Croatia are concerned, as well as all those who want to return to the area and those who want and have the right to receive compensation for the property that they lost. [sentence as heard]

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At any rate, the talks were very useful and the fact that this senior delegation visited the Srem-Baranja province shows the interest of the United States, that is, the United States Government, in the implementation of the agreement. [end recording]

[Correspondent] After visiting Vukovar, Mr. Gelbard met with the negotiating team of the Srem-Baranja province in Erdut and today visited Beli Manastir.

Croatia: E. Slavonia Serbs on Erdut Accord, Refugees

AU3001072396 Beli Manastir Srpski Radio Network in Serbo-Croatian 1700 GMT 24 Jan 96

[FBIS Translated Text] The executive council of the Beli Manastir municipal assembly held an extraordinary session, chaired by Vaso Zigic, in Beli Manastir today. The session was also attended by Milan Milanovic, the head of the negotiating team of the Srem [Serb form for Srijem]-Baranja province, General Dusan Loncar, commander of the Slavonia-Baranja corps, and Borislav Drzajic, the president of the executive council of the Srem-Baranja province.

The topics of discussion were the UN Security Council Resolution 1037, preparations for the implementation of the program for the settlement and housing of displaced people from the occupied parts of the Republic of Serb Krajina in the Srem-Baranja province, as well as other current economic issues.

In addition to the members of the executive council, presidents of the executive councils of the local communities in Baranja, representatives of the Baranja division and of the internal affairs secretariat, and over 100 company managers and directors of institutes and public services in the Beli Manastir area also attended the session. The participants in the discussions emphasized that the Srem-Baranja province is Serb territory and will remain Serb territory on which the people who live there now will live in harmony with thousands of displaced people from occupied parts of the Republic of Serb Krajina, who are yet to settle in the Srem-Baranja province.

[Unidentified correspondent] The program for the settlement and housing of displaced people from the occupied parts of the Republic of Serb Krajina in the Srem-Baranja province is extremely important for this Serb territory. Discussing the political importance of the settlement program, Milan Milanovic, head of the negotiating team of the Srem-Baranja province, said this:

[Begin Milanovic recording] The importance of people settling in our province is primarily that the people who have experienced tragedy in the [words indistinct] part of the Krajina and are now on the territory of Yugoslavia come to this area, [words indistinct], and that we solve their housing problems. We will probably find the (?space) [words indistinct] and continue to live in this area. This very fact, in addition to the signed agreement on [words indistinct] to this area and exercise their right to a just compensation for the property they left behind in other parts of the Republic of Serb Krajina.

Moreover, their arrival in this area will make it possible for our authorities, in the coming negotiations and in accordance with the Erdut agreement, to make it possible for the refugees from the entire territory of the Srem-Baranja province settle in this area. Even Croats have the right to come, but they cannot come to this area if refugees from other parts of the Krajina are here. [end Milanovic]

[Correspondent] What if Croats who left the area also express the wish to return?

[Milanovic] According to the agreement, all refugees have the right to return to their homes. However, as I have already said, the agreement allows refugees from other parts of the Krajina to come to this area. As soon as they come to our area, the international community must facilitate the return of refugees (?to the lower part of the Krajina). This will [words indistinct], it will certainly take a long time and, apart from the political will, there must also be a financial basis, which is going to be difficult to attain; the international community must help, but all refugees have the right to return.

You know that we have had [passage indistinct], but that was not implemented; however, in view of the Erdut agreement, we hope that all refugees will return. However, Croats cannot return to this area before the problem of the refugees who are to be in this area and who are now on the territory of the former Yugoslavia is solved. [end recording]

It is necessary first to secure a complete peace, said Dusan Loncar, commander of the Slavonia-Baranja corps, at today's extraordinary session of the executive council of the Beli Manastir municipal assembly. General Loncar considered the settlement program from the military point of view.

[Begin Loncar recording] The general point of view of the importance of people settling here should be put directly into the context of the military point of view. I think that from the military point of view, the most important thing is to secure peace, security, and confidence. Sincerely speaking, the quantity, that is, the number of people, should serve the purpose of quality. [sentence as heard] In view of the orientation that involves a peaceful solution and resolving [words

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indistinct] among the people [words indistinct] the possibility of reconstruction of this area, and [words indistinct]. [end recording]

Implementation of the program for the settlement of displaced people on the territory of the Srem-Baranja province will be a great task, which will require substantial funds. We asked Borislav Drzajic, the president of the executive council of the Srem-Baranja province, if there had been any specific support, particularly on the part of economic and financial agents that would keep up with the implementation of this program.

[Begin Drzajic recording] The funds for those who have moved here and for those who intend to find new homes on this territory are primarily a humanitarian issue. The international community has, through the United Nations, emphasized that their activity in this region is primarily humanitarian, wherein we see the UN interest in resolving the refugee issue.

We firmly believe that their view of the problem is not one-sided and that they do not have exclusively the refugees from one side in mind. At the moment the more acute and important problem is the problem of the refugees from the Republic of Serb Krajina who left their homes and have settled in the Srem-Baranja province or the Republic of Serbia. We therefore believe that the United Nations will realistically consider the importance of the refugee issue and resolve it in the way that is appropriate at this moment.

In this context, we see the position of the Republic of Serbia, that is, the political involvement of the Republic of Serbia, as the solution to the problem of the humanitarian position of the people who are in refugee centers in Serbia. The Serbian commissioner for refugees would like, by organizing accommodation in this area, to solve the humanitarian problems that are indeed acute in Serbia [words indistinct].

The international community has made no specific moves; there have only been indications, promises, and plans, but I hope that, as soon as the UN administration begins to operate, this issue will be tackled and that many people who have lost their homes will find a new place [words indistinct] in the Srem-Baranja province very soon [end recording]

There have been indications that some businessmen are interested in investing capital in this area, primarily in the settlement program.

[Begin Drzajic recording] [Words indistinct] have their own laws of economic profitability. Within that framework, we are open for any capital, be it private, state, or international. The territory of the Srem-Baranja province will be territory on which business will be conducted under the most favorable circumstances in this area. In that context, an initiative has been started that involves the question of how potential investors should consider the possibility of profit, even on these humanitarian issues.

The executive council of the province will help and be at the disposal of those people who want to bring in their capital and make a profit, at the same time solving the problem of the (?refugees). [end recording]

Croatia: Commentary on Serb-Held E. Slavonia

LD2901211796 Zagreb HTV Television in Serbo-Croatian 1830 GMT 29 Jan 96

[Unattributed commentary]

[FBIS Translated Text] Local Serbs in eastern Slavonia now rarely mention Krajina. [Vukovar mayor] Dokmanovic and [chief Slavonia Serb negotiator] Milovanovic have set conditions before the reintegration. They say that Croatia has to pay damages to the Serbs but they do not question reintegration itself. They listen to Belgrade, they set various conditions, but the result is clear to everyone: Croatian Podunavlje [Danube basin] will be returned to Croatia.

Colonel Stojan Mladenovic, the commander of the Baranja Division, otherwise known as Siptar, particularly stood out among a handful of commanders who are against reintegration being involved in smuggling and crime. He was in charge of the occupying forces in Croatian Baranja and the well-guarded and mined approaches to the Croatian-Hungarian border where crime was rife. He frequently opposed his superiors Dusan Loncar and Slobodan Milosevic.

In December he became famous by issuing a leaflet calling on soldiers, heroes, and citizens, as he put it, to join an armed struggle against, as he says, Ustashe. Let us accept the reality of the future war. The Ustashe will never set their foot in Baranja, Mladenovic said.

According to foreign military sources, Mladenovic's car has hit a mine 100 meters from the Hungarian border, where Mladenovic and his aides were killed. Analysts have not ruled out that this came as a result of a showdown between the Serbs loyal to Milosevic who accept the decommissioning of arms and extremists who accumulated personal wealth in the war.

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Croatia: Bosniaks Said Hindering B-H Federation

AU2901175196 Zagreb VECERNJI LIST in Serbo-Croatian 26 Jan 96 p 8

[Commentary by Zeljko Kruselj: "The Brakemen of the Federation"]

[FBIS Translated Text] When a lot of bad news arrives from Bosnia-Herzegovina in only a couple of weeks and most of it has nothing to do with the Pale Serbs then there is really cause for concern. Early in January violent incidents between Croats and Bosniaks in Mostar and Usora even threatened the collapse of the Federation of Bosnia-Herzegovina as a result of which the signatures in Dayton and Paris would lose all value. The key problem, however, is not the details of the territorial disputes between the Federation partners but the interpretation of Bosnia-Herzegovina's present and future. Namely, in order nevertheless to accept the "most complicated country in the world" as their homeland, the Croats, after painful historical experiences, are insisting upon consistent implementation of all the provisions of the Washington treaties on the Federation of Bosnia-Herzegovina, which the Americans and, of course, official Zagreb, should guarantee.

The Idea of a "Civic State"

On the other hand, the Bosniaks still do not want to breathe life into the Washington treaties because they would thus practically have to give up the idea of a "civic state" approximately as it was before the Serbian aggression against Bosnia-Herzegovina. So by gradually strengthening the republican government and other central institutions, while at the same time reducing or perhaps even abolishing the consensus of the three constituent nations, today's Federation of Bosnia-Herzegovina would increasingly become only a specific form of local administration and self-government. Knowing what their long-term objective is, the Bosniak politicians have been putting extreme pressure upon the international community, trying to convince it that, even after the establishment of the Federation, the Croats are "frustrating free movement" and "obstructing the return of Bosniak refugees," and that, moreover, they have been building "Berlin walls" everywhere. Tragically, this is precisely the kind of propaganda that has been rather successful in diplomatic circles, making the Croats ready scapegoats.

It seems that only a more detailed analysis of the current "disagreement" over Mostar and the conflict in the Bosniak leadership in Sarajevo will help one to understand who, in fact, is the main hindrance to the functioning of the Federation. Namely, Hans Koschnick [EU administrator for Mostar], after many accusations against the Croats there, is eventually, nevertheless, more inclined to their model for the reorganization of Mostar, while former Prime Minister Haris Silajdzic has been denounced, also by colleagues from the party, as the "brakeman" of the better functioning of the federal organs. Thus, while Bosniak resistance to the "spirit" of the Washington treaties has, of course, not ceased, the international community can at least have a better overview of the real causes of the problem.

New History of Bosnia

The thing that every political analyst is concerned with in the long term, however, is certainly the attempt by the Sarajevo intellectual elite to discard all previous conceptions on the genesis of Bosniak identity and Bosnia's centuries-old political, economic, and communications links with Croatia. Studying the various publications, surveys, and school textbooks that have appeared in Sarajevo in the last year or two, one inevitably gains the impression that a completely new history of Bosnia-Herzegovina has been written, in which the role of the Croats has been entirely belittled in the manner of "Copernican reversals."

There is a theory, partly already talked about in the Croatian media, that today's Bosniak-Muslims are, in fact, descendants of the Illyrians, ancient inhabitants of the Balkans, while the Croats and the Serbs are only a consequence of the Slavic migrations, that is, of the attempts to conquer the medieval Bosnian state. Of course, the missing link between the Illyrians and modern Bosniaks has been found in Bogomilism, Christian heresy, because allegedly all the members of that Church of Bosnia converted to Islam after the Turkish conquest, thus expressing their "revolt" against long-lasting persecution by the pope. In this fictionalized story the Bosniaks are, all in all, the only "autochtonous nation," and the Croats and the Serbs are "newcomers," who anyway have their mother states. In that way the necessity of reducing them to the status of national minorities has been suggested, which is simultaneously an indirect request to change the Constitution of Bosnia-Herzegovina.

Only an Empty Name

The historical truth is quite different, particularly when the point in question is Croatia, the country which in the Middle Ages comprised large parts of Bosnia, above all the region up to the Vrbas River and the Neretva River. Bogomilism really found fertile soil here, but most experts agree that by the middle of the 15th century, when Bosnia was conquered by the Turks, it disappeared. Noel Malcolm in his widely quoted book "A Short History of Bosnia" agrees on the whole

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with this thesis, and the author himself advocates the theory about the centuries-old continuity of Bosnia-Herzegovina statehood. Of course, the Islamization took place gradually because the local population, by then all of them Catholics, significantly improved their legal and property status by converting to another religion. The Franciscans, in fact, preserved Catholicism, which in the period of national revival identified itself with Croatianship.

All this is exceptionally important because of the Croatian view of Bosnia-Herzegovina. Throughout almost the whole of the 19th and the first half of the 20th century, Croatian politicians and men-of-letters saw that country through a prism of Turkish conquest and "mutilation" of medieval Croatia. Therefore, one can understand Starcevic's [18th century Croatian ideologist and founder of the Party of Right] idealism about the local population as "the most unspoiled Croats," from which the theories of the Rightists developed on "the Croatian border on the Drina River." Political realists like the Dalmatian reviver Mihovil Pavlinovic had in the meantime, in 1875, a thesis that the "district of Bosnia" was only a bunch of lands severed from Croatia and Serbia," so that everyone should have gotten back what had once belonged to him. For him, Bosnia was only a case of "spiritual poverty," in which "serious heads" cannot take pride in "the empty name of the Bosnian nation or Bosnian language."

Dayton Map Basis

Bearing in mind the specific political development of Bosnia-Herzegovina in the state of Yugoslavia, part of which was the Communist recognition of the Muslims as a separate entity, the newly independent Croatia was among the first countries to recognize Bosnia-Herzegovina's statehood. However, one must never neglect the fact that official Zagreb and the local Croat population can in no way give up the constitutional definition of the three constituent nations, on the basis of which in March 1994 the Washington treaty was signed. That was the basis for the map of the Federation of Bosnia-Herzegovina drawn in Dayton.

After all, the forgery of the "authentic" and "non-authentic" nations of Bosnia-Herzegovina has not been accepted either by international diplomacy. This is shown by all the proposed plans to end the war, starting from Cutiliero's and Vance-Owen's plan, to the Contact Group plan, and the Dayton initials, which were based upon the three national interests, independent of the fact that the federal partners appear together, as distinct from the Serbs. Therefore neither then nor today can Croatia accept the occasional accusations of "breaking Bosnia up," which are only a smokescreen to make things more difficult, and probably also to hinder the functioning of the Federation of Bosnia-Herzegovina. The Bosniaks, on the other hand, can perhaps easily give up their historical roots, but they should always be aware that their window on the world looks into—the Croatian yard.

Croatia: Domestically-Produced Submarine Viewed

AU2901091096 Belgrade POLITIKA in Serbo-Croatian 22 Jan 96 p 7

[Report by Radovan Kovacevic: "The Submarine for War and Contraband"]

[FBIS Translated Text] The Croatian Navy, judging by a BETA piece of information, has gotten its first submarine, dubbed Velebit. Reportedly, it is a submarine 21 meters long that can dive up to 200 meters deep. It is designed primarily for diversionary assignments and attacks on anchored ships or ports, as well as for laying mines at entrances to those ports, in narrow passages and channels. Generally, it is supposed to perform top secret tasks, including monitoring and surveying.

From the same source we have found out that Croatia will develop a series of such submarines....

Without Secrets

The news has not surprised officers in our navy. They just say, not without sarcasm, that it is not the first Croatian submarine of that kind. At the beginning of the war in the Split shipyard ("the fifth slipway"), submarine No. 914, called Zeta, remained there undergoing general overhaul. At that moment the war fleet was scattered all over the Adriatic, which was in accordance with plans having been worked out in advance. A different story is why this submarine was not overhauled in time and saved, but rather remained in Croatian hands, like several other ships which were being overhauled as well at the time. The former Zeta, although without vital devices and equipment that were taken out, was successfully repaired in the end, and is now fully operational. Recently, our monitors have seen it near Molunat....

The second submarine was also made in Split. "We expected that to happen," Navy experts say, making it clear that it is not difficult for them to observe steps taken by the opposite side, because they know everything they need about its manufacturing capacities and staff. The only thing secret about it is the degree of combat readiness!

Those are 100-ton submarines of type 911 which, according to an expert analysis by Navy Colonel Milan Komar and captain of a warship Vladimir Milatovic,

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fall under the category of "pocket submarines." Those vessels are constructed especially for transport and disembarkation of marine commandos and their equipment, as well as for attacks on mooring places and ports.

The architect of this type of submarine is Davor Kaic, a colonel of the former Yugoslav People's Army [JNA] (now a Croatian admiral and aide to the Croatian Navy's commander in charge of morale). Six units were constructed and deployed within a special group based in the naval port of Lora (now a notorious concentration camp for Serbs). Five of those submarines were saved in time, and are now part of the Yugoslav Navy.

Immediately after first tests Navy experts established what sort of vessel it was. The submarine, according to Komar in his statement for POLITIKA, was capable of traveling 200 nautical miles at a depth of 120 meters without surfacing. An idea immediately came across the experts' minds to extend it by around three meters by simply adding a cylinder, which would increase its gross displacement by 30 tons, and moreover to add a 60-kilowatt diesel engine or two smaller ones, increasing navigability three-fold.

Reputation in the World

For this kind of submarine there is still a big interest on the foreign market, which is very competitive, though, including British, German, Russian and other manufacturers. Who needs them? Undoubtedly, the maritime nations that are not capable of producing them themselves, and not only for the purpose of war, but also for other, frequently obscure purposes, such as contraband. With help of such submarines it is possible to transport in great secrecy weapons or drugs, for instance. There is an item of information saying that Italy has manufactured 60 or so such "pocket" submarines for South Asian and South American countries.

This implies that Croatia has similar export intentions as well. So on the basis of the existing design it has manufactured a modified model of submarine.

However, the submarine is significant for military use as well. With two torpedoes, and particularly with four acoustic (inductive, bottom-based) mines, this submarine can create chaos on sea routes.

What are the possibilities for the FRY to renew its war fleet when it becomes necessary? Naval engineers have held the two shipyards in Belgrade in rather high esteem even so far, as well as several more based in Vojvodina, where some of the most complex warships of the Yugoslav Navy, such as Spasilac, were constructed. "We have high-quality steel, engines, weapons, synthetic materials...," Komar says. In this listing a particular place is given to the Prva Petoletka plant in Trstenik (specialized for hydraulics), the Fadip plant in Becej and the Jugoregistar firm, involving experts of international repute. One of our inland shipyards is already constructing minesweepers and a mighty shipyard crane. Naval shipyards in Bijela and Tivt are specialized for overhaul.

Naval engineers say a submarine could be built there but with some understandable reservations. First an assessment is needed to determine whether it pays more to manufacture a limited series or to buy finished products. "Considering long-term effects, any serious undertaking in the sphere of military industry presupposes rigorous tests and controls, but once you adopt such a paramount military technology, it significantly adds to your reputation in the world," says Colonel Komar.

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FYROM: Commentary on FRY's Need To Recognize State

AU3001111496 Skopje NOVA MAKEDONIJA in Macedonian 27 Jan 96 p 13

[Commentary by Tomislav Ivanovski: "Accepting Reality"]

[FBIS Translated Text] The Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] and the Federal Republic of Yugoslavia [FRY], that is, the state that Serbia and Montenegro formed as their new community, created after the breakup of the former SFRY, are finally holding discussions as two equal partners without the previous arrogance of the "elder" brother asking the "younger" to fulfill certain preconditions. Within only a few days, Skopje and Belgrade have had two discussions about the establishment and full arrangement of interstate relations, starting from mutual recognition and establishment of full diplomatic relations, up to definition of all main parameters of future communications and cooperation.

The progress that has been made in this area and the preparatory elements for an overall document that will be acceptable for the two sides give grounds to Skopje and Belgrade, but also to the western diplomatic sources, to announce that Macedonia and the FRY have never been closer to mutual relations than now. It is now irrelevant whether this will take place in one or two days, or in a few weeks. The important thing is that official Belgrade has finally decided to accept the new reality in the Balkans to which it was continually opposed and to start to establish relations with its southern neighbor within these frameworks.

So, regardless of how and when the two countries will announce the decision for mutual recognition, a number of things have become apparent. First, in the dialogue so far, there have not been any deals, exchanges, or trading with mutual recognition using the principle that has been used the most so far—if Belgrade approves recognition, Skopje will give up its claim to continuity.

Second, the question of continuity, which has been the focus of both recent rounds of the Macedonian-Yugoslav dialogue, has practically been the only one on which there are differences. It is a fact, though, that the Macedonian view on this question has not changed. This means that the former SFRY broke up and all its former republics are equal successors to the state and legal continuity and to the inheritance of the former federation. This is the view that is contained in Badinter's report and in the decisions of the European Union and the United Nations, which was recently reaffirmed in Brussels with a message to Belgrade, that the moment the Union decides to recognize the new FRY state, it will treat it only as one of the successors to the SFRY and nothing more.

Third, the former continuity of the Republic of Macedonia, dating from 1944, that starts from ASNOM [Anti-Fascist Council of National Liberation of Macedonia] and goes up to the present time, has never been a subject of dispute so far. Immediately after the Second World War, the assemblies of Serbia and Montenegro recognized Macedonia's statehood and the particularities of the Macedonian nation. In Macedonian-Serbian relations there are no territorial or other disputes. Our state won its independence in a peaceful way and the units of the JNA [Yugoslav People's Army] left our country following an agreement. These were the main arguments last September for the Macedonian side to avail itself of U.S. mediator Holbrooke's stay in Skopje and his visits to Balkan capitals to instigate the question of normalization of relations with our northern neighbor. On 2 October, presidents Gligorov and Milosevic met in Dobanovce, near Belgrade, and they practically agreed not only on mutual recognition, but also on the establishment of diplomatic relations. It is true that, at that time, the Serbian side tried to use the meeting to reimpose the question of continuity, that is, that Belgrade should have the exclusive right to it. Nevertheless, the conclusion was that relations between the two neighbors would shortly be fully arranged on the highest level, and that, in this, the constitutional names of the two countries would be used.

Finally, the fourth item is the fact that the moment the Republic of Macedonia and the FRY mutually recognize one another, whether some people here or abroad like it or not, a new page in their relations will be opened for the first time in history as two independent states. All this will definitely have a strong and positive effect on stability in the Balkans and in the southeast part of the European continent.

In any case, this new moment in Macedonian-Yugoslav (Serbian) relations is indispensable for both parties. Macedonia will finally complete its difficult battle, which has lasted for a number of years, for normalization of relations with its four neighbors. It will also return to history the Bucharest agreement of 1913, which has so many times been used in the past by our neighbors to play dishonest games inside and around Macedonia, and thus there will finally be an end to all covert and overt attempts for annexations, aspirations, or divisions of our territory.

For its part, the FRY this time has quite a strong need to quickly normalize relations with our state. This is

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mostly in order to deblock its readmission in the United Nations, as well as to become a full or an affiliated member of all the political, military, and economic forums and organizations in Europe and the world, the precondition for which is the recognition of Macedonia's independence and normalization of relations with Macedonia and the other former Yugoslav republics. Belgrade's short-lived hope that, after Dayton and Paris, there are no more obstacles to obtaining the exclusive right to continuity was soon squashed after Moscow and Russian diplomacy failed to convince the European Union and the United Nations to change the position of the Badinter commission and of all the conferences on former Yugoslavia. This was also an occasion for the European Union to recommend to official Belgrade, through the statement of its commissioner Hans van den Broek, that Macedonia is of crucial importance for the whole region and that, as long as Belgrade does not recognize Skopje, Brussels (the European Union) will not recognize Belgrade.

So, the FRY will have to normalize relations with its southern neighbor and thus publicly promote its new policy of recognition and acceptance of new realities on the former Yugoslav territories in the Balkans. According to Yugoslav [Foreign] Minister Milutinovic, this will take place very soon. Yesterday he informed Italy, as the country that is presently chairing the Union, about this. We will have to wait and see whether this will really happen, because once upon a time, during Milan Panic's government, official Belgrade was even counting the days until Macedonia was recognized and would give up its exclusive right to continuity, and announcements would be made of the new FRY state's applications for new admission into all the world's forums. Shortly after that, Milosevic reshuffled the prime minister, but over three and a half years have passed since, and the situation inside and around Belgrade is now completely different.

FYROM: Former Interior Deputy Minister Interviewed

96BA0052A Skopje NOVA MAKEDONIJA in Macedonian 11 Dec 95 p 16

[Article by Zoran Petrov: "Pavle Trajanov, Senior Adviser of the MVR (Ministry of Internal Affairs): 'I Did Not Invent Organized Crime!'"]

[FBIS Translated Text] *My sole purpose was to draw the public's attention to the fact that the time has come for something to be done and for the state to act in a much better organized way for the elimination of this greatest of social evils. What Minister Frckovski did was pure manipulation of the public, for he was perfectly familiar with the work of the Operative Work Administration.*

The very mention of the words "organized crime" in our country is linked to the name of Pavle Trajanov. In March last year, this leading operative of the Ministry of Internal Affairs told our newspaper that organized crime exists in the state and that high government officials are involved in it. Let us recall that this statement excited the Macedonian political public and the government of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] held a meeting on this topic. The minister of Internal Affairs closed the subject, having interpreted Trajanov's statement as his personal opinion and giving him a "sensible amount of time" to prove his conclusion. We know the conclusion: the then deputy minister in charge of operative affairs quickly lost his position and was appointed senior adviser. This entire matter might have been forgotten, since last summer the Macedonian Government did not promote its preventive program for the elimination of crime, including organized crime, about which, approximately a year and a half ago, it was being claimed that it does not exist in our country in an organized manner. This was once again brought to light by Pavle Trajanov, who agreed to discuss in greater length the phenomenon of organized crime and its presence in our state.

The Advent of the Second Phase

[Petrov] More than one and a half years have passed since your known statement officially proclaimed that there is organized crime in the state. The question is, what has changed since then in the state regarding organized crime?

[Trajanov] My initial view is that, in general, the situation has not changed for the better. On the contrary, crime and its complex aspects can, above all, organized crime, not only exist but are manifested in increasingly refined aspects. We are currently in the phase of its most extreme manifestations. Going back to the time when most of the attention of the public was drawn, the MVR assumed a tremendous commitment and the operative services were maximally turned to the study and examination of the aspects in which organized crime appeared at that time. The results were quite obvious. We have an awareness, some data, and material proof of the existence of organized crime in our state. I am referring to its initial aspects, although slowly, organized crime has managed to penetrate all structures. I said then, and I am repeating now, that organized crime cannot exist without the participation of officials. I pointed out that the primary objective of organized criminals is to acquire material wealth. That phase has already been completed. We are now in the second stage, which is becoming part of the system. All you

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have to do is a most ordinary study as to which businessmen at that time were closer to the authorities and who is now participating in the system in a variety of ways. This intertwining of economic and political power is currently functioning impeccably.

[Petrov] You mentioned that the most extreme aspects of organized crime have been manifested. What are they, for the public is extensively speculating on the subject of the definition itself. Could you tell us what, actually, is organized crime?

[Trajanov] Most generally speaking, based on our internal experience, organized crime means the involvement of individuals or groups in criminal activities and a gradual approach to officials until the latter become involved in illegal activities. Thus, inapplicable in our case are the familiar definitions of organized crime, such as a strict hierarchial and classical organizational structure, characteristic of other countries. In our country, at this stage, organized crime appears in a different aspect but the rules of the game are standard, corrupting officials from the executive and legislative branches, and committing a series of criminal acts. As to the extreme aspects of organized crime, I can see them in a number of manifestations which I can point out, although they have not reached the intensity they acquired in some of the former socialist countries. Nonetheless, such manifestations are slowly appearing in our country as well. Above all, I am referring to some characteristic cases such as the two murders executed in Ohrid and Strumica. We have racketeering, coercive collection of debts, robberies, extortion, etc. Therefore, we already have organized groups of racketeers, usurers, and so on. In that context I would also include money laundering and legalization of illegally earned money.

[Petrov] It is clear that you have been studying the organized crime phenomenon for quite some time. What led you to it?

[Trajanov] The first time this issue was raised was in connection with the conversion of public property and the change in the sociopolitical system of the state. All that was happening in the other countries began to happen in our country as well. The first aspects of connections and ties between private business and the managers of public enterprises appeared. At that time, we said that we must urgently complete the structure of regulatory laws and that we considered this essentially as an explanation of our weakness and inefficiency. Meanwhile, according to new data, we realized more clearly that some manifestations of organized crime were slowly beginning to work their way and lay a foundation within the state. On that subject, by the end of 1992, the MVR organized a conference of our noted judicial, prosecutorial, and law school experts. The only statement which came out of this meeting was that organized crime was knocking at our door and had begun slowly to open it. Similar views and public debates have taken place since, and I personally have participated in a number of public discussions on this topic through the media. As you know, the peak was reached with my statement in your newspaper of March 1994, which, unfortunately, assumed an entirely different dimension—a political one. This was followed by involvements in some electoral activities at that time, in District 103, in Kisela Voda, which distorted my intention. Honestly speaking, my only objective was to draw the attention of the entire public. The moment has arrived when something must be undertaken and for the state to begin to block the penetration of this greater social evil in a far better organized way.

Manipulations of the Public

[Petrov] What did you suggest?

[Trajanov] I suggested fast training of personnel to deal with crime, which acts in very subtle and specific ways. I called for an overall organization and operation of an immunological system within the state. Sincerely, I expected maximal support from the government, but something happened which I could not even imagine. It so happened, for example, that those who were informed of the most extensive details of such a project took the view that there was no organized crime in Macedonia. Had this been voiced by a politician, I could have understood it, for the politician operates on the basis of an entirely different view. However, I cannot understand those who are professionally involved in such work to claim something which is a blind agreement with the general political climate. At that time it was acceptable to say that there was no organized crime in the state, and some of my colleagues hastened to confirm this. Time has indicated that they quite deliberately lied to the public which, I sincerely believe, for I never believed that there was no organized crime in Macedonia. In the final account, we are dealing with something that was obvious, evident, palpable, something we come across on a daily basis. Finally, the government itself shyly acknowledged it.

[Petrov] Hence, the following question: How do you interpret the latest governmental initiative in the struggle against organized crime? Do you take this as personal satisfaction?

[Trajanov] I feel no satisfaction whatsoever by the confirmation of my views, for it was not I who invented organized crime and I do not believe that this is something that would make a person proud. As to the govern-

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mental initiative, I look at it from two different viewpoints. The first is that the initiative is the result of most international meetings and conferences on organized crime with the participation of our representatives. Let me mention in this context the program for the prevention of organized crime of the United Nations and a number of conventions in that area, also initialed by our state. This is the origin of the Macedonian commitment to the formulation of a crime prevention program, hence the governmental initiative. For my part, I would say that any initiative that promotes faster and more efficient dealing with organized crime would be supported, not only by myself but by the entire public, and, especially, by the MVR. However, speaking of the governmental initiative, let me point out a few things. First, it is not backed by a serious study of the conditions and the dynamics of crime in the state. Second, so far I have not seen anywhere any specifically formulated tasks and measures to eliminate crime and the people who would undertake such activities, and the nature of the stages, methods, and means to be used in such a struggle. In general, I am not convinced that, without specifying concretely the tasks and commitments of all state units, any results could be achieved. Least of all, I expect results from the advice included in the initiative. There simply is no consistent strategy.

[Petrov] Based on your view that some state officials are involved in organized crime, Minister Frckovski gave you a "sensible deadline" to prove your accusations. This did not happen. However, the public learned that the service you headed had already completed work on some criminal cases. What were they?

[Trajanov] What the minister did was a pure manipulation of the public. He was perfectly familiar with the work of the operative projects administration. Furthermore, he was familiar with our knowledge of the involvement of state officials in illegal activities. That is why his deadline was pure manipulation and distortion, according to which Pavle Trajanov was engaged in some kind of private war against the Macedonian Government. Was it possible for a deputy minister to work secretly from his superior? No one wondered why he publicly stated that he was neither interested nor informed. He knew very well what we were doing and he was perfectly familiar with the difficulty of our projects. Nonetheless, I can say that, despite the short deadline, I was truly surprised by the involvement of the operative workers who were able, within the stipulated time, to document several cases and issue criminal summonses. Some ten criminal summonses were drafted and submitted for the minister's signature, but never came out of his office. They probably ended in his desk drawers. You are familiar with what followed. I was dismissed from my position and some ten days later the project faded. I do not claim that this was done knowingly and deliberately, but let me give you a single symptomatic example. After a relatively long period, when the city administration investigated several companies engaged in questionable businesses, and whose owners were close to some of the coalition partners, the entire leadership of the Skopje MVR administration was replaced. Actually, these people shared my fate.

[Petrov] What did the operative service expose at that time?

[Trajanov] I would say some ten crimes, but only one of them was tried in court. That is why, given that situation, I cannot mention specific names and cases, for I risk being accused of slander.

[Petrov] Did this involve ministers who were members of the government at that time?

[Trajanov] Yes, but I cannot tell you anything more for the criminal charges against these people were not backed by proof.

[Petrov] What would you say about the latest personnel changes in the MVR that, as we have found out, are more extensive?

[Trajanov] I am unable to assess the present situation in the MVR nor am I authorized or required to do so. It is a fact that there have been mass personnel changes which have their specific origin. The reason should be sought in the current transformation within the MVR. The negative aspect is that, in the past three years, the length of the entire procedure before the Law on Internal Affairs and Intelligence Agency was passed, the MVR people were under constant pressure expecting layoffs. It can be said that this had a drastic influence on their work as well.

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Poland: Politicians on Russian 'No' to NATO Expansion

WS3001130896 Warsaw TRYBUNA in Polish 30 Jan 96 pp 1, 6

[Report by D.Z.: "The Russian 'No' to NATO Expansion; Banging One's Fist on the Table"]

[FBIS Translated Excerpt] *In recent days we have been witnessing a new attack launched by Russian politicians on NATO expansion. It should be noted that the attack came right after the talks that President Kwasniewski held in Brussels, Bonn, and Paris; in addition, the attack came when NATO was beginning preliminary talks with the concerned states. How should we explain the fact that Moscow has banged its fist on the table at this moment?*

TRYBUNA asked a few politicians about this.

Dariusz Rosati, minister of foreign affairs: Russia's policy toward the expansion of NATO is not changing; what we are observing, however, is a change it its expression. To a certain extent, this is related to the fact that the office of the foreign affairs minister has been assumed by a new person. Nonetheless, two elements are most important here: one is for domestic use, the other for external use. A presidential campaign is now going on in Russia; we can see clearly that there is a fight going on to win the support of the electorate that proved the strongest and the most numerous in the December parliamentary elections. I am thinking of the electorate that can be, in short, termed nationalistic and patriotic. It turned out that slogans that propose a return to the idea of a strong, imperial Russia are very popular. Therefore, the candidates running for the presidency reach for those slogans. In this context, the rallying cry "Halt NATO!" makes a perfect electoral slogan. Thus, we must take into account the possibility that Russia will now express its objections to NATO expansion more vehemently.

Second, this is also an element of a long-term propaganda, political campaign waged by Russia; the goal of this campaign is to exert pressure on the West, on the NATO member states, so that they will look upon NATO expansion as a fact that quite fundamentally harms Russian interests. Therefore, separate negotiations would be needed. We assess that the Russians may in the long run change their stand, but this will only happen if the West makes certain concessions in other areas.

Thus, the Russian "no" is now louder, but it will not affect our determination to achieve the fundamental goal: to become a member of NATO. The decision on this has already been made. It is necessary to do our best to convey our motives to the Russians; it is necessary to try to persuade them that this is not an action aimed against anyone.

Bronislaw Geremek, Sejm deputy of the Freedom Union and chairman of the Sejm Foreign Affairs Commission: I do not believe we should look at the sharp statements against NATO expansion that have been made in Moscow as extremely dramatic. It is not the first time Moscow has given such warnings. I believe this is a normal situation and that it is very important for Poland to explain, in quiet and frank dialogue with Russian politicians and Russian public opinion, that the reason it wants to join NATO is to strengthen European stability, not to take part in any aggressive or anti-Russian alliance.

I would be more surprised if Moscow no longer protested the expansion of NATO because that would prove that the topicality of this issue has decreased; it would also show that there may be some truth in the rumors about an agreement that has allegedly been reached by the Russian and U.S. presidents to halt the expansion of NATO. [passage omitted]

Poland: NATO, EU Goals Impose Limits on Arms Trading

96EP0011A Warsaw RYNKI ZAGRANICZNE in Polish No 131-132, 2-4 Nov 95 p 2

[Article by Marek A. Krason: "Arms Trade Under Tight Control"]

[FBIS Translated Text] The Polish Government's system for monitoring arms trade (so-called special trade) and its position on initiatives for international control over the flow of advanced technologies have to be viewed in the context of efforts to gain membership for this country in the European Union (EU) and NATO. The adoption of the same legislative solutions on arms trade as in Western countries is a precondition for abolishing restrictions on Poland's access to modern technologies and, as a consequence, is a premise for developing cooperation on defense industry with EU countries and NATO.

The basic provisions governing arms trade are contained in two laws: On Guidelines for Special Control over Foreign Trade in Goods and Technologies in Connection with International Understandings and Obligations, of 2 December 1993 (DZ. U. [Legal Gazette], No. 129, Item 598, 1993), and On Foreign Trade in Arms, which was, along with appropriate implementing regulations, adopted by the Ministerial Council on 29 August 1995 and was transmitted to Sejm.

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Dual-Use Technology

The Law on Guidelines for Special Control took effect on 25 March 1994, and its implementing regulations were published on 9 September 1994 (DZ. U., No. 95, Items 460-464). This laid the formal foundations for control over trade in (and also transit of) technologies that can be used both in the civilian economy and in the arms industry.

Implementing the provisions of that law requires certain investments relating chiefly to the creation of an appropriate control system. Financial problems have been the principal reason for protracting the procedure of interministerial agreements on the law's language. The Ministry for Foreign Economic Cooperation is responsible for the implementation, and to this end it operates the Office for Trade in Goods and Technologies under International Controls in cooperation with the Ministry of Foreign Affairs, and determines the list of goods and technologies subject to special monitoring. That list is thereupon published in MONITOR POLSKI in the form of an appropriate executive order.

The New Formula for Control

At present, arms trade is handled by three so-called fully licensed enterprises (Cenzin State Foreign Trade Enterprise, Cenrex PHU, and Bumar Foreign Trade Enterprise), along with more than 40 enterprises operating under partial licenses, which are granted to, for example, defense industry plants and companies that sell hunting and sports weapons. Heretofore they have operated on the basis of general regulations, that is, on the Law of 23 December 1988 on Economic Activity (DZ.U., No. 41, Item 324) and the Law of 28 December 1989, "Customs Law" (DZ.U., No. 75, Item 445). Practice has shown, however, that such exceptions to the state's monopoly on arms trade are not conducive, given the laws in force at present, to effective monitoring of this kind of trade by the appropriate government agencies.

The provisions of the Law on Special Trade isolate an entire domain of exports and imports of goods, services, and technologies of military importance from the scope of the heretofore binding Law on Economic Activity, and propose solutions that in a sense conflict with the nature of the latter law. For, while the guiding principle of the Law of 23 December 1988 on Economic Activity is the freedom and equality of access of companies to broadly understood economic activity, in the light of the provisions of the Law on Special Trade this principle will be subject to marked restrictions. Extensive control is intended to assure a careful selection of the companies engaging in arms transactions, and principally to promote pursuing the state's policy on arms trade.

It is worth noting that, during the interministerial negotiations on said law, the Ministry of Justice questioned a provision—also contained in the Law on Economic Activity—that precludes the possibility of appealing certain administrative decisions (e.g., on granting or revoking trading licenses) and states that no rationale for negative decisions need be issued. The ministry believed that this would be an exception to the general rules for administrative proceedings and the rule that licensing decisions are appealable, and furthermore such a provision does not adequately protect the interests of the applicant enterprise interested in arms trade, whose standing vis-a-vis the licensing agency would then be unequal. Ultimately, however, this and related provisions were retained, because a similar approach is followed in Western countries. Here the principal argument is the need to protect the sources of the information gathered by special services concerning the companies participating in one planned transaction or another—information that could indicate, for example, whether the partner is genuine and honest.

The implementing regulations comprise eight executive orders concerning:

1) a list of weapons, ammunition, explosives, and products, technologies, and services that are of special importance to national defense, national security, and other important national interests;

2) a registry of companies engaging in foreign arms trade;

3) a sample application for an arms trading permit and promissory note;

4) a sample end-user certificate;

5) the fees for including a company in the registry;

6) a list of the border crossings at which arms shipments are permitted;

7) procedures for keeping records of arms transactions; and

8) sample authorizations for monitoring adherence to the law's provisions.

At present it is still difficult to estimate the overall cost of implementing the Law on Special Trade. Its extent will hinge on the actual cost of establishing a monitoring system. To this end the Central Board of Engineering is providing assistance to the Ministry for Foreign Economic Cooperation.

Interim Solutions

Until the Law on Special Trade takes effect, the provisions of the Law on Economic Activity remain binding.

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On their basis the Ministry for Foreign Economic Cooperation issues orders concerning the list of goods and services requiring licenses to be traded abroad.

The list of the countries to which Poland applies restrictions on arms trading (the so-called negative list) is determined pursuant to the Resolution of May 1994 of the Ministerial Council which precludes arms trade with the countries under the United Nations embargo. At present, restrictions of this kind apply, according to the Announcement of 8 June 1994 of the Minister of Foreign Affairs (MONITOR POLSKI, No. 39, Item 336), to Iraq, the countries that have arisen following the disintegration of the former Yugoslavia, Somalia, Libya, Liberia, Haiti, Angola, and Rwanda. Prohibitions against or restrictions on arms trade with countries other than those named above require a separate resolution of the Ministerial Council.

It also is worth noting that in June 1994 Sejm passed a resolution calling on the government to restrict the negative list to the countries under the United Nations embargo alone (MONITOR POLSKI, No. 34, Item 279). But the point is that the number of the countries to which Poland applies restrictions on arms trade is—aside from the countries under the United Nations embargo—very small.

Despite some differences in specific regulations on arms trade between the laws of Poland and those of the Western countries, it can be said that the legal system which will operate in Poland once the Law on Special Foreign Trade takes effect will meet the requirements that are binding in the EU countries and NATO. However, building an efficient machinery for the state monitoring of arms trade will require appropriate financial outlays. It is not certain whether the State Budget for 1995, and for 1996 as well, adequately allows for this need.

Poland: Banks Said Ill-Prepared for EU Membership

96EP0013A Warsaw WARSAW VOICE in English 5 Nov 95 No 45, pp 12-13

[Article by Krzysztof Urbanski and Rafal Walkiewicz: "At Risk of Remaining EU Outsiders"]

[FBIS Transcribed Text] *Polish banks are among the sectors least prepared for the country's accession to the European Union, argue two second-year Warsaw School of Economics students, winners of a Coopers & Lybrand and Rzeczpospolita competition for an article on Poland's future development.*

The creation of a well-developed financial sector which can compete on the single market is a major step on the path to European Union (EU) membership—a step which Poland has not yet taken. During the last five years, it has been impossible to carry out any rational reform to strengthen the system. In 1999, the barriers protecting Polish banks from foreign competition will fall—only four years remain before the dress rehearsal which will show all the weaknesses of Poland's financial institutions.

It seems that in such a short period, most banks have no chance of preparing themselves to operate on the highly competitive European market. This will reduce their status to that of local banks, operating only in the least profitable areas of banking. This process cannot be avoided, although it can be easily foreseen. Most European countries' financial systems comprise many local banks and core banks. The core banks include giant financial holdings which represent countries in Europe and around the world. If the Polish financial sector is represented by a group of banks operating on the outskirts of the EU, we will face a disaster which will determine our position in the union for many years.

The banking system recommended in the European Union directives is universal banking. However, new tendencies in the understanding of the notion of universal banking can be seen among member countries. The German banking system in particular aims at increasing it specialization within strong parauniversal bank holdings, investment banking and insurance companies. The concept of a universal banking company appears to be ineffective. The best proof of this is the course of action undertaken by H. Kopper, the president of Deutsche Bank, who is trying to transform a clumsy giant into an efficient holding company. Specialization offers the only possibility of increasing operational effectiveness. The 1992 review conducted by the consulting house McKinsey showed that the U.S. financial system, which is highly specialized, is 50 percent more efficient than the German system. Using the experience of the EU, we should build a system which joins the power of universal banking with the effectiveness of specialized institutions.

At least two strong groups of banks should be created in Poland. Only two Polish banks, Bank Handlowy SA and Pekao SA, can form the pillars of holding companies. These two banks stand out from the whole sector in terms of capital. They are known abroad, and it is possible that after restructuring they will be Poland's representatives in Europe.

It is difficult to find funds for capital injection to the banking sector core. Polish government obligations toward the Polish Bank Privatization Fund prevent consolidation involving any of the "big nine" banks,

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because in order not to lose the funds for redemption of restructuring bonds while accepting this solution, Bank Handlowy and Pekao SA would have to be fully privatized before the end of 1996—an unrealistic goal. The capital injection should be made from the funds earned from the privatization of the "commercial four" banks. Meeting current state budget needs at the expense of the banking system's equilibrium is inexcusable. The four commercial banks should be privatized after being consolidated into a single holding company. Privatization must be performed early enough, because in order to get high privatization value, the holding company must survive a transition period in which the banks' effectiveness will fall and costs will increase. The owner, the State Treasury, should create a vertical holding by creating a parent company and giving it shares in the consolidated banks. Observing other countries' financial systems, it appears that a vertically integrated bank may be managed most effectively. Additionally, this would minimize the widely discussed problem of adapting bank managers to consolidation.

The license policy should be modified. The banking supervision organization carved out from the National Bank of Poland should conduct the license policy on the basis of capital limits for different types of banking activities.

Having reached the limit approved by banking supervision, a bank would receive a license to enter new and more risky areas of business (e.g., underwriting). This scheme, similar to the license policy adopted by the Securities Commission for brokerage houses, would allow for reducing capital expenditure in order to limit risk (obligatory provisions, specific provisions, etc.) to the strictly defined scope of bank activities. In the context of the undercapitalized Polish banking sector, it is necessary to increase the effectiveness of the capital employed in our banks.

Limited licensing would also allow for the coordination of the actions of a Banking Supervision Agency and the Securities Commission. Following the guidelines of the Basel Committee for Banking Supervision, banks should be allowed to trade in securities only after they have met certain capital requirements. The Securities Commission would grant such licenses to deposit banks, subject to Banking Supervision approval. Investment banks would be created as approved by the Securities Commission. Withdrawal from conducting deposit activities would be freed from the license obligation, and what follows, increasing effectiveness of capital employment (change of banking risk type and no need to create an obligatory provision). Both banks and other financial institutions (e.g., brokerage houses, consulting companies) would be able to apply for investment licenses. The organizational structure of the banks (universal or specialized) would be determined by market effectiveness, and not by random provisions of the law.

A system of supervision constructed in this way should include an institution which would guarantee the banking system's stability: the Bank Guarantee Fund (BGF). The BGF should be transformed from an institution making payments to depositors of bankrupt banks into an organization promoting a stable banking system and its development. The limited license policy should be coordinated with a system of accruing payments to the deposit insurance fund. The BGF should prepare bank ratings based on supervision data, which on the one hand would allow optimization of membership fees and give the banks incentive to develop, and on the other would increase the Polish banking system's credibility. A good incentive for development may be the possibility of excluding a bank which has exceeded a critical limit and has not taken any recovery measures approved by the fund. The BGF, taking over restructuring from the NBP, should be granted the statutory power to use, as approved by Banking Supervision, orders and interdictions backed up by legal sanctions.

By 2005, the share of the capital market in external investment financing should reach 25 percent. The capital market is the most effective capital allocation and investment project verification tool. Hence, there is a need for specialized banks on the market. The unique nature of the Polish economy encourages specialized participation in: privatization, company restructuring, the National Investment Fund (NIF) program, insurance market and social security reform and alternative financing of risky enterprises by venture capital funds. An investment bank means big capital and top experts. Polish banks lack capital, and their employees are not well trained. It seems that the first specialized investment banks will come from abroad. Investment services offered by Polish banks still have a future, though. There is still a place on the Polish market for both a few world giants of investment banking and local investment institutions covering small ventures which are not attractive to large multinationals.

These are only the most important problems of Polish banking. In practice, a comprehensive development strategy should take into account many more factors.

We believe that it is possible to create a strong Polish banking representation in the EU before 2005 if bank restructuring programs are implemented, personnel are trained, and capital is accumulated. The introduction of internal regulations described in this article will allow stabilization within 10 years of high-level banking services. If this is the case, we would both be afraid of

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a takeover of a large part of the assets of Polish banks by foreign capital. We can allow for exceeding the 25-percent share presented in the government's "Strategy for Strengthening the Banking System of Poland." It ought to be debated whether the nationality of the owner of an efficiently-operated system is of any importance in the face of global markets and mixture of national capitals.

We hope that in 2005 Poland, as an equal partner in the European Union, can contribute to the discussion about how to create a European banking system able to compete with Japanese and U.S. banks.

[Box, p 13]

Strengths

—foreign competition limited by law until 1999

—an open system is adaptable

—high concentration of capital in the largest few banks

—understanding of local market

[Box, p 13]

Opportunities

—time to strengthen and increase competitive advantage of the sector

—creation of core banks by consolidation of the largest banks

—system reorganization

—strengthening ties with clients

[Box, p 13]

Weaknesses

—lack of capital

—lack of risk management

—lack of development strategy, inadequate regulations

—dissociation of capital and lack of organization in the cooperative sector

—low level of deposit guarantees

—poorly trained personnel

[Box, p 13]

Threats

—Polish banks may become local banks only

—poor investment financing, bad debts

—Polish banks may be moved into unprofitable areas

—group bankruptcies

—end of cooperative banking

—low quality of service

Poland: Presidential Aide on Foreign Policy

WS2901144996 Warsaw NOWA EUROPA (KONIEC TYGODNIA supplement) in Polish 19 Jan 96 p II

[Interview with Wojciech Lamentowicz, presidential aide for foreign affairs, by Zdzislaw Zaryczny: "Poland in the Region and the World"]

[FBIS Translated Text] [Zaryczny] What legacy did you receive from your predecessors—President Lech Walesa's coworkers? What experiences, analyses, instructions, archives, etc.? Are you already making use of them?

[Lamentowicz] There is a certain problem with just that. Namely, I had no counterpart in the previous presidential Chancellery who acted as advisor in international matters of strategic importance. There was no office or section here whose work focused on this area. All I received were the office rooms and secretariat of—please note—Minister Andrzej Zakrzewski, and nothing more, not to mention staff workers. My intention is to build such a team. Of course, I have also read through the correspondence left by professor Zakrzewski in the archives. It pertains to matters associated with the Polish expatriate community, the Eastern Hinterlands, some historical issues, and also, relations with the Jewish diaspora—although I will not directly be involved with these issues unless necessary. My primary tasks have a different focus.

[Zaryczny] It is well known that President Lech Walesa was very active on the international scene. He paid over forty visits abroad and received hundreds of politicians, diplomats and businessmen in Warsaw and Gdansk. The results of these talks, the commitments made, pledges and guarantees given, have enormous significance for the Polish raison d'etat. Should not President Aleksander Kwasniewski know the results?

[Lamentowicz] Of course he should. In any normal, democratic country the transfer of power is not merely a routine change of desks but also an occasion to inform the successor of everything—both positive and negative—that may have a bearing on the continuation of foreign policy. I need not remind you that there was no such transfer. "I will never be an adviser to Kwasniewski," is what Lech Walesa said in keeping to his motto that "I can either speak ill of Kwasniewski or not at all." The previous presidential advisors followed in his footsteps—and no wonder President Kwasniewski's

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staff received no such materials, no reports on what had been and what had not been accomplished in foreign politics.

[Zaryczny] What I had in mind were not accounts of trips to India, South Korea, or Brazil but rather information related to the substance of talks with the presidents of the United States, Russia, Germany, or France. One can conjecture these talks had a large impact on our efforts to obtain NATO and European Union membership.

[Lamentowicz] We expected to find notes from these talks. You are right, some matters must have continuity, and the president of the Republic of Poland ought to know what had been said, and who said what, etc. Unfortunately, there are no notes; we were left with empty drawers. We therefore do not know whether President Walesa has made commitments we will have to fulfill and, conversely, whether important commitments towards Poland have been made. I have mentioned these issues not to complain. All I wanted was for public opinion to be informed what state of affairs we had to face. We practically had to start from scratch.

[Zaryczny] There is, however, already a large store of experience, objectives and principles of Polish foreign policy that is by no means secret.

[Lamentowicz] That is true, after 1989 Poland's strategy is clear and we plan no changes. Only, perhaps we do not know a number of important details of how this strategy was carried out during Lech Walesa's tenure as president. In a way, we have to rediscover them and try not to make any errors as we go along.

[Zaryczny] Not all "details," however, deserve to be rediscovered, don't you think? It would be difficult to recognize as normal a situation in which foreign policy was conducted by several centers of power. The circumstances of Lech Walesa's visit to Moscow, the disputes centering around Prime Minister Waldemar Pawlak's trip to the United States and that of Prime Minister Jozef Oleksy's visit to Moscow, etc., do not shed favorable light on Polish diplomacy...

[Lamentowicz] I hope that this sinister stage of rivalry between the president and the head of government, manifested in the foreign ministry's operations, is now a thing of the past. It was a sick situation in which President Walesa and one foreign minister after another worked with each other as if there were an area excluded from the scope of the government's constitutional responsibility. This is particularly true of the period since 1993, when the present coalition government came to power. Fortunately, there no longer is a "basis" for that, which is very helpful, though it will still take a long time for us to eradicate some of the more deeply rooted irregularities. It is also important that both President Kwasniewski and [foreign minister] Professor Dariusz Rosati are fully aware of the consequences of existing legal regulatons. There will definitely be no conflicts of competence or bungling coordination. The first test for us were the preparations for the Polish president's visit to Germany, France, and Belgium.

[Zaryczny] The concept of combining visits to Germany and France to underline the importance for Poland of the Weimar triangle met with approval from [political] commentators. The visit was only criticized for its "hastiness."

[Lamentowicz] Well, in this particular instance, I take that as a compliment. The success of this idea—or the fact that it materialized—can be attributed to the reactions of German and French leaders, which, considering the traditionally good atmosphere of our contacts, was exceptionally friendly. Obviously, if you want such a visit to come through, you have to obtain invitations and coordinate the scheduling of these meetings so that all the VIP's in these countries or at least the top four—the president, prime minister, speaker of the parliament, and head of the Foreign Ministry—can all find time for our president and be able to do so day after day. Without the help and positive attitude of our hosts it would have been impossible to arrange all these things within just a few days; such visits usually take months to arrange through diplomatic channels. The fact it was possible to coordinate this within such a short timeframe and that the program had been fully carried out despite unexpected and dramatic events—France and the world offered their farewells to Francois Mitterrand—is to me proof of the friendship we can count on in Bonn and Paris. President Kwasniewski, for his part, issued a clear and straightforward signal showing the direction in which Poland wants to head, and where it is looking for friends and allies.

[Zaryczny] How was his message received? What were the reactions?

[Lamentowicz] Very warm. I would like to avoid pathos, but it gave me great satisfaction to see how quickly our president gained the sympathy of his interlocutors, who treated him as a partner in an unbiased way. May I remind you that Aleksander Kwasniewski is the youngest head of state in Europe, and perhaps in the world. He was able to generate sympathy through small, seemingly minor gestures. For instance, during his meeting with Chancellor Helmut Kohl, to which he was accompanied by three other persons—Minister Danuta Waniek, Ambassador Andrzej Byrt, and I—he immedi-

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ately proposed no translation into Polish be given since the entire delegation speaks German. Seemingly a minor thing, though big politics is made of such "little things." This was equally true in Paris, where President Kwasniewski easily established contacts speaking in English with his hosts and with many other politicians who arrived for the funeral services. If this streak continues, President Kwasniewski is headed for success in foreign policy matters.

[Zaryczny] There are still internal matters. For example, the affair of Prime Minister Jozef Oleksy, charged with working for the KGB...

[Lamentowicz] We were warned before departure that this case will damage the atmosphere of the visit, that it will be an obstacle, that explanations will have to be made, etc. Nothing of the sort happened—not only because our interlocutors asked no questions and made no suggestions. President Kwasniewski himself presented the issue in an open and unequivocal way. His rationale was as follows: Charges have been made, an inquiry in parliament and the prosecutor's office are under way, the appropriate institutions are processing the case, and the president has no intention of interfering with their work. Once proceedings have come to a close, he will draw the necessary conclusions. The most important thing is a thorough and complete examination of the case. Until the charges have been confirmed, he sees no reason to hold back his trust in the prime minister. This explanation was received with understanding; no further questions were asked. In my opinion, if only we can handle this problem and remove the threats in a democratic way, Poland's prestige will rise. These expectations are shared by the West.

[Zaryczny] Where will President Aleksander Kwasniewski now travel, after visiting Germany, France, and Belgium? Whom will he host?

[Lamentowicz] He will travel to Davos in Switzerland in the beginning of February to attend the annual conference of world political and business leaders. He is to meet the Swiss president and some other politicans there. The details are now being worked out. He also plans meetings with leaders of neighboring countries, but it is too early to provide exact dates. Talks with President Havel should be held relatively soon. We have also received a proposal from Hungary and a letter from Moscow, and an invitation from President Yeltsin which Deputy Minister Krylov brought with him to Warsaw. We would also like for a visit to the United States to take place in the coming months. We shall host the British queen in Poland in March as earlier announced, and shall receive the princess of Thailand before that. Other visits are still being prepared, and will take place in the fall, which will be a very busy season in that regard. Of course, we are also awaiting a very special guest: Pope John Paul II. We still do not know whether this visiit will be private or official. There are still internal questions related to ratification of the Concordat that have to be resolved. Nevertheless, the congratulatory message cabled to President Kwasniewski by the pope is a good prognosis for future contacts.

[Zaryczny] What role in these initiatives and projects could Lech Walesa play? Has Aleksander Kwasniewski considered the possibility of working on foreign policy issues in cooperation with the former president?

[Lamentowicz] That's not a question for me to answer. President Kwasniewski has many times demonstrated his open and pragmatic approach towards dialogue. If the opportunity comes up for Lech Walesa to actively engage himself in foreign policy, then he will no doubt make use of it. The question is: Will Lech Walesa want to?

[Zaryczny] What are the most important foreign policy goals for President Aleksander Kwasniewski's staff? How would you gentlemen like to meet these goals?

[Lamentowicz] The most important and most pressing tasks are related to Poland's efforts to gain NATO and EU membership. This year may be a breakthrough year and must not be wasted. The second priority is good-neighborly relations with all our seven new neighbors. We often fail to remember that Poland—as the only European country, and most probably only country in the world—now has seven new neighbors. The united Federal Republic of Germany is of course an entirely different country from what East Germany was. The same goes for Czechoslovakia, now divided into two republics. Our neighbors to the east—i.e. the Russian Federation, Ukraine, Belarus, and Lithuania, are to an even greater extent new countries. The time has come for us to show that within the bounds of the treaties that have been passed down to us from previous governments, we are treating those good-neighborly relations with all seriousness, but also want to breathe new life and instill new dynamism into them—and into our entire foreign policy. We have acquired a great many backlogs over the last few years in both our bilateral and regional relations. We shall have to tidy up a little and sweep this home of ours, which for all of us means the central European region. Our relations with the United States are equally important, both bilateral relations and those in the broader international context—the peacekeeping operations in Bosnia, for instance. In the past few years Polish foreign policy has laid great hope on relations with the United States—and we continue to have these hopes. We have given

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absolute priority to these three objectives this year—and they will surely remain our priorities in the years to come.

[Zaryczny] Thank you for the conversation.

Poland: Poll on President's Performance Released

WS3001115096 Warsaw RZECZPOSPOLITA in Polish 30 Jan 96 pp 1-2

[Report by R.W.: "Social Research Laboratory for RZECZPOSPOLITA; Kwasniewski's Debut"]

[FBIS Translated Text]

Do you accept the way in which Aleksander Kwasniewski is holding the office of Polish president?

	Percent
I do	49
I do not	22
It is hard to tell	29

Nearly half of adult inhabitants of Poland accept the way in which Aleksander Kwasniewski has been holding the office of president of the Polish Republic over the last month. More than every fifth respondent does not like the style of Kwasniewski's presidency. A large group of the respondents—almost 30 percent—have no opinion. The poll was conducted for RZECZPOSPOLITA by the Social Research Laboratory [PBS].

The Left Wing Accepts

Approval for the style of Aleksander Kwasniewski's presidency is common among the supporters of the Democratic Left Alliance; more than 80 percent praise and only 3 percent criticize the way he is holding his office. More-than-average approval can also be seen among the voters of the Polish Peasant Party (61 percent say "yes" and 11 percent say "no") and the Union of Labor (55 percent and 15 percent, respectively).

Unfavorable opinions are voiced primarily by the voters of right-wing parties and Solidarity. Among the voters of the Union of Freedom, Non-Party Bloc in Support of Reforms, and the Union for Real Politics, there are relatively many people who abstain from taking a view on this issue.

In Line With Expectations

It is worth recalling that last December, a few days before the swearing-in ceremony, we asked Poles how they believed Aleksander Kwasniewski would perform his new duties.

At that time, 48 percent of the respondents stated that he would make a good president, 30 percent were of the opposite opinion, and 22 percent were hesitant. As can be seen, those "preliminary" evaluations are very close to the opinions expressed in this poll (this particularly goes for positive opinions), which were expressed already after the first decisions and steps made by Kwasniewski as president.

The opinions that were expressed on the activities of previous president Lech Walesa were worse than the grades given to Kwasniewski now. In the periods when Walesa's presidency was evaluated the lowest, it was criticized by approximately 70 percent of the respondents and praised by 17 or 18 percent. The period of the election campaign and the presidential elections in 1995 resulted in greater approval for the activities of President Walesa, but even at that time more than half of the respondents did not agree in the way he was holding office. Approval was expressed by approximately 30 percent of the respondents at that time.

* * *

PBS conducted the poll for RZECZPOSPOLITA on 20 and 21 January 1996 on a representative sample of 1,000 adult inhabitants of Poland. The author also used the results of a PBS poll taken on 16 and 17 December 1995 on a 1,000-person sample.

Poland: Kwasniewski-Constitution Relationship

96EP0012C Poznan WPROST in Polish 26 Nov 95 No 48, p 103

[Article by Lech Falandysz: "The Constitutional Spider Web"]

[FBIS Translated Text] Now that the presidential elections are over, the future of the new constitution will have to be considered. Unfortunately, I have no confidence in the chairman of the Constitutional Committee and his experts, because I remember what they did before.

When at the end of 1993 President Walesa again proposed a law to strengthen the position of the Constitutional Tribunal by, e.g., making its decisions final, that proposal was pigeonholed by the committee chaired by the current Minister Jaskiernia, and that is where it remains to this day. When the Democratic Left Alliance (SLD) was in the opposition, it had supported this solution, but as soon as it gained Sejm majority it was no longer willing to obey the decisions of the Tribunal.

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Then, too, early in 1994 Sejm turned down decisively the president's draft of the law on civil constitutional initiative, chiefly because it contained a provision authorizing the president to dissolve Sejm in the event that the new constitution is not approved by a referendum. Most deputies felt that a Sejm that performs poorly its most important purpose, namely, the drafting of a constitution, should continue to operate as if nothing happened.

Also ignored was the proposal that a special body of representatives of all the political forces be established to help draft the future constitution, with members being represented proportionately to the outcome of the last parliamentary elections, but without allowance for the 5-percent threshold needed to secure representation in the parliament. For the constitution is one thing and parliament, which is elected for four years, is another. But the deputies insisted that parliament alone should work on drafting the constitution, a parliament that will continue to operate even when the nation turns down its constitutional draft.

It is simply hard to believe the chairman of the Constitutional Committee when he claims that he is mindful of the good of the state and its citizens. And there is nothing surprising in the fact that the leader of the majority party in Sejm is writing the constitution for "his people," reasoning, I believe, that for many years ahead still, the parties deriving from the old system will play a major role on the Polish political scene. They are strong owing to their hundred-year history. They sank roots even before the partitions of Poland [as published], they endured in the interwar period and during the PRL [Polish People's Republic] era, and even nowadays they have no equals as regards efficiency and organization. And the strongest of them is the Democratic Left Alliance, and it would like to exert its clout in order to influence the constitution by including a provision for a weak president.

That is because when a party has the parliamentary majority and dominates the government, a strong president is unnecessary. Should the president be a member of that party, he will cooperate with it anyhow rather than obstructing it. But should the public be angered and vote for someone from another party, that new president could not do much harm, because he would be shorn of any major powers. Thus, the party or parties which gain 30 percent of the vote, e.g., would, if the current voting law continues unchanged and Kwasniewski's constitution takes effect, be able to rule freely even if the nation were to elect a candidate of its own in the future.

Should the public be tricked into approving Kwasniewski's constitution in a referendum, presidential elections will become meaningless. For then we will have to choose between the current chairman of the Constitutional Committee or one of his associates or a man of our own. The weakness of our president will exclude him and us from the political game, whereas Kwasniewski as a weak president, or somebody like him, will be strong by virtue of support from his party comrades in the government, in Sejm, in Senate, in high offices in the government, voivodships, municipalities, and townships. Thus once again we shall be caught in a spider web.

Poland: Oleksy Comments on Prime Ministerial Candidates

LD3001095796 Warsaw Polskie Radio First Program Network in Polish 0800 GMT 30 Jan 96

[FBIS Translated Excerpt] [Passage omitted] The outgoing prime minister, Jozef Oleksy, has said that he expects the Polish Peasant Party [PSL—junior coalition partner] to present a new candidate for the head of the government. Miroslaw Pietrewicz, head of the Central Planning Office, is at present the official PSL candidate.

In an interview for Polish Radio, Jozef Oleksy said he saw no reason that the new head of government should not come from the SLD [Democratic Left Alliance].

[Oleksy voice] I shall repeat yet again, because this is important for the man in the street, that this change in government is after all taking place not as a result of mistakes by and policy defeats for the government I led. This was a government that was doing quite a good job. The fact that the prime minister was from the SLD and submitted his resignation does not mean that the SLD is suddenly supposed to incur some sort of penalty and not be given the opportunity to have its candidate occupy the post of prime minister.

Poland: Ex-Counterintelligence Head on Oleksy Case

WS3001123896 Warsaw TYGODNIK SOLIDARNOSC in Polish 19 Jan 96 pp 4-5

[Interview with Konstanty Miodowicz, former head of the Office of State Protection [UOP] counterintelligence service, by Jerzy Klosinski; place and date not given: "A Conscious Collaboration"]

[FBIS Translated Excerpt] [Klosinski] More and more revelations are surfacing in the Oleksy case. Are they journalistic speculations or leaks?

[Miodowicz] Both.

[Klosinski] Which one prevails?

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[Miodowicz] According to my knowledge, the leaks published by the media were not supplied by operational units. They appeared when this evidence was made open for political factors. Because of the leaks, the whole affair stopped being a discussion based on facts and instead became governed by the rules of political confrontation. You can add to this a wide range of confabulations and journalistic conjectures.

[Klosinski] But, still, there were many facts that appeared in the press.

[Miodowicz] On the one hand, we deal with texts that appear to be the result of thorough work. I am talking here about articles by ZYCIE WARSZAWY over the past week. On the other hand, there are reports whose contents are just bizarre. Take, for example, Mr. Jachowicz's article "The Operation Majorca" run by GAZETA WYBORCZA; it is more suitable for such publications as DETEKTYW [featuring criminal and spy fiction stories].

[Klosinski] But because it abounds in details, this article makes other suspicions and facts reported recently more credible. They even seem to shape into a certain scenario.

[Miodowicz] Just as in a typical criminal or spy story. No officer who has access to reliable sources at this stage of the Oleksy case will ever disclose information providing details of operational work.

[Klosinski] Could Russian intelligence deliberately have sold information about Oleksy—along with his code name and that he is a qualified agent?

[Miodowicz] I rule out the possibility that any move on the part of our service was prompted by the Russian intelligence service. I also rule out any possibility that the adversary could carry out an operation involving sales of operational materials. This would tragically undermine the trustworthiness of the Russian intelligence services.

[Klosinski] Could agent Olin have become uncovered and [therefore] unnecessary?

[Miodowicz] Information about individuals who are cooperating with a special service is particularly protected, which is connected with the prestige of a service for which this agent or operative worked. This is why special services do not disclose evidence allowing the identification of their agents. Even if they do disclose such information, they do it for inspirational purposes, something that special services call active procedures. In this case, as I have said, we are ruling out any possibility of such a procedure.

[Klosinski] Is it true that Polish intelligence came upon the tracks of [Russian KGB officer] Alganov while working on a network of Russian intelligence in 1991-92?

[Miodowicz] The position of first secretary of the Russian Embassy, occupied by Alganov, was so special that all individuals who hold it automatically enter the scope of interests of the counterintelligence service. This is why Alganov became a target of identification procedures and activities conducted by UOP counterintelligence. As a result of those procedures, however, we noticed nothing that would require us to step up the procedures focusing on Alganov to the level of surveillance. But only the evidence obtained by UOP intelligence allowed the organization to make a different sort of judgment about the relations of Mr. Alganov with his Polish acquaintances.

[Klosinski] Does the level of Oleksy's contacts with Alganov and, let us assume, with his successors represent high-caliber information?

[Miodowicz] UOP (through its operatives) and [former Interior] Minister Milczanowski believe that, during his relationship with Alganov, Jozef Oleksy passed over confidential information. But let us leave assessing the nature of Oleksy's contacts with Alganov to the special Sejm commission and instead pay attention to what the statements made by Alganov in Moscow suggest. Alganov said that he had maintained long-term and friendly contacts with Oleksy, a fact Oleksy does not deny. No intelligence officer operating on alien territory does anything without a purpose or the knowledge of his supervisors. His task was and still is to obtain evidence essential for the service he represents. It seems, however, that, in the context of what we have just talked about, it was a valuable and productive contact, particularly in light of Minister Milczanowski's statement. In addition, it is clear that, after Alganov's tenure in Poland expired, his contact was taken over by a new intelligence officer.

[Klosinski] How does the Russian intelligence service work in Poland anyway?

[Miodowicz] Of the seven special services that constitute the intelligence community of the Russian Federation, five implement their tasks in Poland. The first is the foreign intelligence service, which is the successor of the KGB's First Main Directorate, until recently headed by [Russian Foreign Minister] Primakov. Currently, its director is Vyacheslav Trubnikov, Primakov's former deputy. The second service is the Intelligence Main Administration, a component of the Russian Army General Staff, known as the GRU. This is a nearly 12,000-strong formation commanded by General Fyodor Ladygin. Another component is the Federal Security Service, numbering a total of 75,000 operatives, which inherited the

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assets, structures, and personnel of the Second, Third, Fourth, and Fifth Directorates. The latter was very important inasmuch as it was in charge of protecting the constitutional order—infiltrating dissidents. The fourth service is the Federal Service of Government Communications and Information, the so-called FAPSI, founded on the basis of the former KGB's Eighth and Sixteenth Directorates. This service is in charge of conducting radioelectronic surveillance and breaking ciphers and codes. And, finally, there is the Federal Border Protection Service, with its Main Reconnaissance Administration. FAPSI's director is General Starovoytov, while General Nikolayev is director of the Federal Border Protection Service.

These services work from different "positions"—among others, in foreign-based components, under the guise of commercial companies, as well as with the help of so-called top secret illegal officers supervised directly by the headquarters—that is, officers with changed identities who maintain no contacts with the local field network.

The resident network in which Alganov participated is a secret branch of the foreign intelligence service. It is headed by a resident and his deputy. The network acts in several so-called lines. The key lines include the political line—PR; counterintelligence—KR; technological drain, that is, scientific and technological intelligence—"X"; and the N line—one of supporting "illegals." They can be complemented with one more, the emigration line—EM, when there are many emigrants on a particular territory. About 17,000 Russians legally reside in Poland.

Recently, still another line was added to Russian field networks: economic intelligence carried out by operational personnel. The resident network has so-called support personnel consisting of operational, technical, OT, officer, 1st line officer (processing information), ciphering officer, drivers....

Alganov was chief of the PR line; usually, its head is a deputy of the secret resident.

[Klosinski] Which means that the scope of penetration of the Russian special services in Poland is great?

[Miodowicz] The methods and means applied by the Russian special services to our citizens are a cause for concern, but they are not in the number where I would see most threat. Intelligence services can use nonaggressive methods to collect interesting information and then process it in a way typical for those services. On the other hand, when they resort to exceptionally aggressive techniques, using so-called offensive actions—that is, when agents are applied—we can say that we are dealing with very dangerous, serious, alarming, and, I would say, unfriendly behavior toward our state. I believe that the level of threats stemming from Russian secret service agents in Poland is increasing. [passage omitted]

[Klosinski] Have you read documents related to the Oleksy case?

[Miodowicz] After familiarizing myself with the documents related to the case, Oleksy, in my opinion, consciously collaborated with foreign intelligence.

[Klosinski] Did Mr. Oleksy hand a KGB officer a report by the Polish intelligence and counterintelligence services about activities by foreign intelligence services in Poland?

[Miodowicz] I cannot confirm press speculations on this matter, nor am I going to deny anything.

[Klosinski] Can one link the Oleksy case to the case involving collection in Moscow by UOP of evidence related to the KPZR [Communist Party of the Soviet Union] for the PZPR [Polish United Workers Party]?

[Miodowicz] I believe that, while analyzing, in very global terms, the problem of relations of certain political groups with individuals representing political structures of the former USSR, these issues can be connected. However, I see no direct links between the so-called Moscow money case and the Oleksy case, as far as substantial and important, not marginal and trivial, issues are concerned.

[Klosinski] You mean by this....

[Miodowicz] The case of that apartment.

[Klosinski] The apartment and Alganov's activities in an Austrian company.

[Miodowicz] As seen from the angle suggested by one of the press publications. I am not going to assess those reports.

[Klosinski] Why was it intelligence and not counterintelligence that worked with Western special services to gather information about Oleksy?

[Miodowicz] How can you know whether the intelligence, counterintelligence, or any other UOP branch cooperated with any foreign service on the Oleksy case?

[Klosinski] From the press.

[Miodowicz] We have already said that, for various reasons, press reports were contaminated by, among other things, inventions. I am not going to draw here lines between what is the result of information leaks and what is reconstruction, hypothesis, assumption, or

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utter speculation. This thread was picked by the Polish press after suggestions expressed in the Russian press. It was the Russian press that first said that the Polish secret services allegedly received a tip about Mr. Oleksy thanks to German special services. I have to say that behind those suggestions I see an attempt to spoil good relations between Polish services and some of our foreign partners because the contents of our cooperation, its scope, and specific forms are kept secret.

[Klosinski] You are saying that we are infiltrated by Russian services. Are we a tight enough organization for our Western partners?

[Miodowicz] The UOP intelligence and counterintelligence are very professional services. Of services considered to be good by world standards, their level is way above average.

We talk about the aggressive intelligence activities by Russians against our state. This, however, should be viewed in a proper context. One cannot conclude that our sovereignty is curbed by infiltration on the part of some foreign intelligence service. Russia has more assets in Poland than, for example, China. What matters is proportion. Friendly states should not resort to agents to verify information about one another and real intentions in bilateral relations. This principle is quite significant for assessing the level and sincerity in cooperation on the international arena. [passage omitted]

Poland: Spokeswoman on Reaction to Oleksy Affair

LD2901134296 Warsaw Polskie Radio First Program Network in Polish 1300 GMT 29 Jan 96

[FBIS Translated Text] Government press spokesperson Aleksandra Jakubowska has said that the so-called matter of Prime Minister Jozef Oleksy will not hinder our entry into European structures. In her opinion, it does, however, evoke distaste in the West and confirms the view that Poland is unstable:

[Correspondent Barbara Nicipora] According to Minister Aleksandra Jakubowska, Deputy Prime Minister Grzegorz Kolodko says that the matter of Prime Minister Oleksy has no bearing on the Polish economy because this economy is already sufficiently detached from political influences. Jakubowska admitted that comment and speculation by Western politicians has appeared in the past dozen or so days, that the situation in Poland may have a bearing on our membership in NATO. According to Mme. Minister [Jakubowska], the president's recent visit to West Europe was meant to contribute to explaining that the matter of Prime Minister Oleksy is being cleared up in a democratic way, and this has met with the full understanding of politicians there.

Poland: SdRP Congress Resolution on Oleksy

WS2901144096 Warsaw GAZETA WYBORCZA in Polish 29 Jan 96 p 3

[Resolution of the 5th Convention of the Social Democracy of the Polish Republic, adopted in Warsaw on 27 Janauary]

[FBIS Translated Text] The Social Democracy of the Polish Republic [SdRP] wishes to thank Jozef Oleksy for everything he did as head of the Council of Ministers.

The government was undeniably successful under his competent and efficient leadership. The gross national product grew considerably, production rose, inflation fell, and unemployment dropped. The standard of living for our citizens has improved. A reform of state structures was launched, the impasse in the reform of the health-care and social security systems was overcome. Poland's position on the international arena strengthened.

Jozef Oleksy ceased to be prime minister not because his government had lost social support but because of unprecedented charges brought forth by the interior minister and a campaign launched against him.

The spectacular way in which the charges were leveled, the arbitrary choice of timing and disregard of the prerequisite legal procedures in the Republic of Poland suggest, in our view, the political intentions of the authors of the charges.

We are strongly against the public campaign of untimely judgments, controlled leaks, libel, passing verdicts and destroying an individual on the basis of charges that have not yet been legally verified.

We deeply trust that justice and objectivity will be observed in the course of elucidating the charges that have been brought against Jozef Oleksy and the circumstances in which they were leveled.

The 5th Convention of the SdRP

Warsaw, 27 January 1996

Poland: Statement Issued by SdRP Convention

WS2901135896 Warsaw GAZETA WYBORCZA in Polish 29 Jan 96 p 3

[Statement issued by the convention of the Social Democracy of the Polish Republic in Warsaw on 27 January]

[FBIS Translated Text] The Social Democracy of the Polish Republic [SdRP] is worried about the current political situation. We do not share the view that our

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country is in a state of crisis. The prime minister had to resign as a result of an unprecedented political action taken against the camp that was democratically elected by the citizens to rule.

We wish to state that we continue to trust the coalition government of the Democratic Left Alliance and the Polish Peasant Party.

Those who find it difficult to accept the results of the elections have been trying to reap political profit from the developments of the past few weeks. With no regard for the rules of democracy, they are playing a game that is detrimental to Poland.

Trusting the objectivity and force of the law, we believe that the reasons and circumstances of the current conflict will be thoroughly explained. They will be judged by the Polish citizens in the next elections. Our party is not afraid of that trial.

5th National Convention of the Social Democracy of the Polish Republic

Warsaw, 27 January 1996

Poland: State Security Official on Oleksy as SdRP Head

WS3001120396 Warsaw GAZETA WYBORCZA in Polish 30 Jan 96 p 3

[Report by "KNYSZ": "Siemiatkowski on the SdRP Decision; Oleksy's Appointment Is a Manifestation"]

[FBIS Translated Text] Zbigniew Siemiatkowski, deputy head of the State Security Office at the Presidential Chancellery, presumes that, if the military prosecutor's office levels espionage charges against Jozef Oleksy, he will have to step down as chairman of the Social Democracy of the Polish Republic [SdRP].

Siemiatkowski told the Third Program radio network yesterday why the SdRP had decided to choose Oleksy for party chairman: "Oleksy's appointment to head the SdRP is a manifestation of the political camp of which he is part. We cannot sacrifice someone from our group because of an attack that is neither thoroughly documented nor proved."

"Another signal sent by the Democratic Left Alliance [SLD] is that Oleksy is to take part in the coalition talks, and I can assure you he will be a very tough negotiator with the Polish Peasant Party; he will strongly defend the interests of the SdRP and the SLD," he said.

According to Siemiatkowski, if Oleksy had decided not to run for party chairman, everyone would have seen it as "giving in, a surrender." He quickly added: "I am absolutely sure that all of the evidence in the Oleksy case is insufficient to level charges of acting to the detriment of the Polish state against him."

Siemiatkowski admitted that he had not seen any materials on the Oleksy case but that "his knowledge is based on the mechanisms and information he received from people who have seen the materials."

Poland: Walesa Claims To Know More About KGB Ties

WS2901145596 Warsaw ZYCIE WARSZAWY in Polish 27-28 Jan 96 p 3

[Report by the Catholic News Agency and "FF": "Interview: The Former President Knows Much More About the History of the SdRP"]

[FBIS Translated Text] "I was not the one who started Prime Minister Jozef Oleksy's affair, and I have nothing to do with the case," said Lech Walesa on 26 January in an interview for the Gdansk-based Radio Plus. He also stated that he fully trusted former Interior Minister Andrzej Milczanowski.

"I know much more," he said when asked if he knew who "Minim" and "Kat" [two leading politicians who had allegedly collaborated with the KGB] were. He claims Oleksy's case is not the only one. "There must be other cases because this is a big problem. This is not about heads; this is about the sovereignty of our citizens and our state," said Walesa.

The former president added that the charges against the prime minister had been leveled prematurely, yet there was no alternative because of the fear that the new authorities might have covered it up. He claims that Oleksy's case will be solved, but it will take so long that it will tarnish Poland's international image.

Asked to comment on the recent report carried by the WPROST weekly on the money of the Social Democracy of the Polish Republic and the Polish United Workers Party, Walesa said: "If that is how we put things, the postcommunists will try to prove how much money the Americans or the French gave to Solidarity. We once gave 1 million [currency unspecified] to hospitals, they used their money to fight us and remain in power. We used all our means for democracy, to regain freedom. We took money unconditionally, they took it in exchange for subordination."

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Poland: Walesa Meeting With Solidarity Parties Postponed

WS3001124296 Warsaw ZYCIE WARSZAWY in Polish 30 Jan 96 p 2

[Report by "POZ": "Political Scene; Meeting Between Solidarity Parties and Walesa Rescheduled"]

[FBIS Translated Text] *The meeting between 15 parties stemming from the Solidarity movement and Lech Walesa scheduled for 1 February has been put off. Some groups, for example the Union of Freedom [UW], demanded to be treated more like partners.*

Jerzy Gwizdz, chairman of the Non-Party Bloc in Support of Reforms (formerly head of Lech Walesa's election campaign staff), informed a PAP reporter that the meeting was being rescheduled. Gwizdz said one of the reasons was that some parties could not make it on the date suggested by Walesa. He gave assurances that the meeting would take place at a different time.

According to ZYCIE WARSZAWY sources, the real reason was that several parties demanded that they be treated as partners in preparing the agenda and selecting topics for discussion. "We were not treated as partners," a top UW politician told ZYCIE WARSZAWY. He stated, however, that his party does not rule out the possibility of taking part in such meetings in the future.

Representatives of smaller parties also were against the meeting. Czeslaw Bielecki, leader of the Movement of 100, criticized its formula. Paradoxically enough, another leader of the same group, Andrzej Olechowski, was the organizer in Walesa's name.

Several parties refused to enter any talks at all. One example is the Union of Labor [UP]. "This would be tantamount to entering a bloc centered around Lech Walesa. We are not necessarily interested in doing that," UP Chairman Ryszard Bugaj told us. Still others hesitated. The Movement for the Reconstruction of Poland [ROP], headed by Jan Olszewski, refused to give an answer.

Walesa presented the initiative of holding the meeting more than a week ago, during his visit to Warsaw. Once again he presented the concept of creating one or two campaign blocs under his patronage. The idea of calling the meeting was not discussed beforehand with any of the invited politicians. Walesa did, however, present it to the UW's Leszek Balcerowicz and Bronislaw Geremek, with whom he met at the time.

Among those invited were parties that had supported Walesa from the very beginning of the presidential campaign (among them the Christian-Democratic Party and Szeremietiew's Movement for the Republic), parties that had lent their support at a later phase (for example, the Christian-National Union, the Conservative Party, the Conservative Coalition), as well as those that had been hostile throughout (UP, ROP, the Center Accord, and the Union for Real Politics). Many minor groups, however, were ignored, among them even those that had been part of Walesa's campaign staff.

Poland: Solidarity Head on Postelection Strategy

96EP0014A Warsaw TYGODNIK SOLIDARNOSC in Polish 1 Dec 95 No 48, p 3

[Interview with Marian Krzaklewski, Solidarity chairman, by Alicja Dolowska; place and date not given: "We Will Manage"]

[FBIS Translated Text] [Dolowska] How does Solidarity intend to act, now that 19 November is over?

[Krzaklewski] Solidarity must do its thing. We have a clearly defined program in the form of an alternative concept for a socioeconomic system. It presents Solidarity's vision of: the constitution, public distribution of state assets, health and pension insurance, and a profamily tax system. We also have drafted legislation on vetting and crimes of communism, and of the persons who perpetrated them. We should rally the public around our program, especially considering that soon an occasion for verifying the outcome of the election will arise: Referendums on property empowerment and the constitution will be held. And afterward there will be the parliamentary elections. Hence these factors must be seen in perspective, and work should be done, chiefly by providing information, to reach that part of Kwasniewski's electorate which voted for him because it did not know better, as well as those who did not vote because they were discouraged by the "negative campaign" and preelection chaos. We must reach these people! We must convince them that, if our solutions are translated into reality, they will benefit, and that our proposal for the universal public distribution of state assets will afford material opportunities to people and enable them to codecide on the fate of public wealth. The game is worth the candle. They must be convinced that the current hoopla about the NFI [National Investment Funds] dilutes the property empowerment program and is a mirage. Perhaps close cooperation with the trade unions of private farmers should also be considered, as in the form of jointly organized actions or in the conclusion of contracts.

[Dolowska] Although the causes of the success of the postcommunists are more complex, it is also said that the reasons why "Poland has cracked in half" include a common past and the attitude toward the former Polish

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People's Republic. Has the system of values upon which we wanted to build reality after 1989 also foundered?

[Krzaklewski] Certainly the electoral outcome laid bare the fragility of the system of values in our society. We are facing the moment of truth. Will Poles in the future opt for the universal system of values founded on Christianity, or for a nihilistic, cosmopolitan system? Basically this is a much more important problem than some political election. We must analyze the situation in our families and communities and consider whether our actions may not be too ambivalent. To be sure, during patriotic and religious ceremonies we clearly express our attachment to a particular system of values, but in our daily life, as well as in the life of our trade unions, these words are not always matched by deeds. And yet we know on what foundation we must build our renewal. One thing is certain: Nowadays we may not, despite our bitterness over the lost presidential elections, react by retaliating against those responsible for this defeat, by infighting within Solidarity as well as within the independence-Solidarity bloc. Should anyone start such infighting, the outcome of the next elections would be still worse. It is what unites us rather than what divides us that should be carefully considered. Priorities should be set and values determined and acknowledged as a kind of Ten Commandments about which no doubts should be held.

[Dolowska] Do you envisage the possibility that Solidarity would have to change its operating mode?

[Krzaklewski] We must try harder to reach the public with information about our program. We cannot offend the people who voted for Kwasniewski. They should be convinced of our rationale. We must work harder in small towns and in the countryside. We should also be more open to young people.

[Dolowska] In your opinion, how should Solidarity "make use" of those who voted for Walesa?

[Krzaklewski] We must rally a significant segment of the public around our program. We must advocate decentralized decisionmaking and the democratization of currently centralized structures. More attention should be paid to regional contracts, to exploring positive solutions at the grassroots level. At present this will be difficult since the postcommunists will dominate the scene to a growing extent. But even if the ruling postcommunists will attempt no such domination, which I doubt, their system will, like cancerous tissue, attempt to metastasize everywhere. If I speak of the need to consolidate the forces of our camp, I think that this should occur at both the program and the tactical levels.

[Dolowska] The referendum on public distribution of state assets is just around the corner. Will it result in some political alternative?

[Krzaklewski] If hasty preparations are made now for the parliamentary elections, in the illusion that they will come suddenly, that would be a big mistake. Actually, if Solidarity's concept of the public distribution of state assets wins in the referendum, and the constitution drafted by the postcommunists can be blocked, then our electoral campaign, too, will be successful and Solidarity will be better represented in parliament. We simply need some success. We must win something in Poland jointly, for Poland's own sake. Within the political movement now becoming consolidated there can be no doubt as to the role of NSZZ Solidarity, which protects the dignity of the family and of laboring people. Any parties which join our camp cannot be part of it for opportunistic reasons alone. A brutal honesty and sincerity of views must reign. The axis of this bloc should be Lech Walesa as the person who gained predominant support in the elections. But its foundation has to be Solidarity as a social and program movement.

[Dolowska] Shall we compile white books of postcommunist misdeeds?

[Krzaklewski] It is enormously important for Solidarity structures to document economic crimes and symptoms of the spread of the "red spider web," and to initiate protest actions against all abnormalities. Anomalies should be branded as they arise, without awaiting instructions from the top. In addition, maximum attention should be focused on plant and industry collective bargaining agreements so as to create islands of freedom, of workplace democracy. NSZZ Solidarity faces the need to expand self-help activities, trade union insurance, employee credit unions, the strike fund, and funds to pay experts. I must admit that special importance should be attached to enlarging the resources of the strike fund, because many fields of confrontation are opening up. Besides, the authorities may provoke us by disregarding our demands and reaching informal agreements on many issues with the OPZZ [All-Union Trade Unions Agreement] and others of its ilk. There will certainly be many causes of tension. But I would prefer the current political system to be challenged not by mobs but by democratic processes and protest actions. All such and similar actions should be law-abiding.

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Poland: Major Parties Undergo Postelection Shake-Up

96EP0014B Warsaw ZYCIE WARSZAWY in Polish 2 Dec 95 p 4

[Article by Igor Zalewski and Piotr Zaremba: "Will Heads Roll After the Elections?"]

[FBIS Translated Text] This weekend [2-3 December] is expected to be a time of postelection reckoning. Within Freedom Union Jan Rokita faces the threat of being removed from the party's leadership "for hurting Kuron's campaign." The pro-Walesa faction within the Christian National Union (ZchN) intends to topple Ryszard Czarnecki. And within Labor Union the "pro-Kwasniewski" Wojciech Lamentowicz may be similarly penalized.

The party within which the consequences of such reckonings may be the greatest is the UW (Freedom Union). The politicians from its right wing are unofficially declaring that if the UW's National Council fires Rokita from its presidium, they will also resign and demand that a program congress be convened. This is a recipe for a dispute that may culminate in a schism.

UW: Situation Unclear

The problem is that a confrontation is not certain. It is said that UW Chairman Leszek Balcerowicz repeatedly called for it, believing that Rokita's actions and comments were detrimental to Jacek Kuron's presidential campaign, however not only UW right-wingers but also "centrists" argued against that confrontation. Mediation even at the last moment may restrain Balcerowicz, we were told by a UW politician who is close to his policy.

He himself at the Friday press conference firmly stressed the need to maintain party discipline. "Out of 10,000 UW members, 99.99 percent are fully loyal," he told reporters, without naming anyone. These figures indicate that just one person is disloyal (presumably Rokita).

"I shall not comment on rumors, and I cannot foretell what will happen at the Council's meeting," Rokita himself told ZYCIE WARSZAWY.

"Various motions might be made, but what matters most is that they should serve to strengthen our party, and that shall certainly happen," UW Spokesman Andrzej Potocki mysteriously claimed, in his turn.

But as we have unofficially learned, Balcerowicz tried to win over to his motion former Liberals, on offering one of them (e.g. Pawel Piskorski, the head of the Warsaw branch of the UW) Rokita's post. The balloting will be secret, so all kinds of surprises may occur. Some UW members commented off the record that should Balcerowicz be defeated, his leadership would be questioned.

Another idea of Balcerowicz, which he championed ardently, especially following his return from the FRG, where he met with Chancellor Helmut Kohl, also triggered a dispute. This concerns the UW's accession to the International organization of Christian-Democratic and conservative parties. "There are no major differences between us and the German CDU [Christian Democratic Union]; we are closer to Kohl's party than, e.g., Jan Lopuszanski," Balcerowicz assured reporters. But the UW's left wing—Wladyslaw Frasyniuk, Zofia Kuratowska, and Krzysztof Dolowy—are certain to oppose this motion, even though they probably will be in the minority.

The ZChN Chairman and a Member of the Labor Union Presidium May Be Out in the Cold

Within other parties, too, heads may roll. At a meeting of the Main Board of the ZChN a vote of no-confidence in Chairman Ryszard Czarnecki will probably be moved. To be sure, only a congress of the ZChN can recall him, but it can do so precisely on the basis of a motion by a Board member.

Czarnecki is being criticized by the pro-Walesa faction of the ZChN (Henryk Goryszewski, Arkadiusz Urban) for having championed the presidential candidacy of Hanna Gronkiewicz-Waltz and thus weakened, in their opinion, the chances of the incumbent president in the electoral contest with Aleksander Kwasniewski.

It may be that other members of the ZChN leadership who followed Czarnecki's lead will also be recalled. But politicians linked to the current chairman claim they have a slight predominance in the party leadership and offer the reminder that, after all, at the last moment they executed a turnabout and abandoned, actually even before the first round of presidential elections, their support of the National Bank of Poland's chairperson, switching to Walesa's camp.

As for Labor Union (UP), Saturday's meeting of the National Council of that party will again consider the motion for the recall of Deputy Wojciech Lamentowicz from membership in the UP Presidium. He is being criticized for having questioned, following the first round of presidential elections, his party's decision to support neither Kwasniewski nor Walesa. He himself was active in the campaign of the Democratic Left Alliance's leader, making joint public appearances with him several times. Following the elections he was mentioned as a candidate for government posts, especially at the Ministry of Foreign Affairs. Already at the previous meeting

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of the Council, even before the second round of elections, attempts were made to expel Lamentowicz, but a quorum was lacking: That politician's supporters simply left the meeting.

At the Council, the UP leader Ryszard Bugaj will argue in favor of his idea of creating a social-liberal bloc, independent of the Democratic Left Alliance. Supporters of this idea expect Jacek Kuron to become the leader of that bloc.

Poland: Najder to Opposition: Stay Involved in Politics

96EP0015A Warsaw LAD in Polish 10 Dec 95 No 50, pp 1, 3

[Interview with Zdzislaw Najder, former director of the Polish desk at Radio Free Europe and former adviser to President Walesa by Marek Marchut; place and date not given: "They'll Smile and Do Their Thing"]

[FBIS Translated Text] [Marchut] A postcommunist has become the Polish president. Why was Kwasniewski elected?

[Najder] In these elections there was no popular anticommunist movement in Poland. I hope the outcome of the elections will not be politically misinterpreted as meaning that the communists have won, that nearly 10 million Poles voted for the restoration of the old system, or of PRL [Polish People's Republic] traditions, or of the communist vision of the world, or, lastly, of the communist program. In my opinion, this is a great misunderstanding, because that surely is not how the line of the divide ran. Had that been so, one would have to consider emigrating. Why is that not so? Because, among other things, presidential elections are elections of personalities, not of programs. That is true the world over. Behind President Walesa there stood no party that might have united his electorate. There was popular sentiment for certain values, but these values cannot be separated from the person who was to be their standard-bearer. In my opinion, that person was not convincing to an overwhelming majority of voters, including religious believers. I recall my conversation several years ago with rural housewives who said, "He wears the Holy Virgin on his lapel, but he talks such nonsense." That was very painful to them, and they stressed that they were churchgoers. I do not know whether they voted for Kwasniewski, but they certainly did not vote for Walesa because they felt outraged by that Holy Virgin on the lapel. That "nonsense" was to them something impolite, or even boorish.

When we consider the electoral outcome we should bear in mind that the ideas and values attributed to politicians are one thing, and their bearers are another. Kwasniewski was a very astute bearer of ideas other than those which we, his opponents, ascribed to him. The future will hinge upon whether we shall "fossilize" ourselves by continuing to hammer on the black-versus-white electoral slogan of the PRL versus Solidarity, or whether we can perceive the political scene as it really is, rather than as it should look. We thought it should look as though a majority of Poles should be protesting against Kwasniewski in the name of independent, Catholic, and Solidarity values. But the nation refused to be convinced. It is readily seen that the nation became divided into three parts of nearly the same size. The largest segment voted for Kwasniewski, a somewhat smaller segment stayed at home, and the third, a bit smaller segment, voted for Walesa.

[Marchut] Many politicians wonder what attitude to take toward the segment that voted for Kwasniewski.

[Najder] I felt very irritated when viewing the "Election Evening" and the reactions of some politicians who wrote Kwasniewski's electorate off as lost. This is politically very unwise, even more so as it is untrue. These voters should be persuaded. And above all, the politicians should begin by examining their own consciences.

[Marchut] The postcommunists nowadays hold all power in their hands. What style of governance do you think they will adopt?

[Najder] That will depend upon the victors in the elections deciding whether or not they won on the basis of their political program, as a party. I suspect they will not make this mistake, that they will not say, the SLD [Democratic Left Alliance] program has won and now we shall translate it into reality. I believe that Prime Minister Oleksy and Mr. Kwasniewski are more clever than that and will continue to obfuscate the differences and smooth down sharp corners. They will not commence an institutional and ideological offensive; they will only smile and do their thing, but in such a manner as to avoid confrontation. As of now, two scenarios are possible. The first is a disastrous one: The postcommunists, on taking all power, will utilize it fully. I personally do not believe in this scenario because we are dealing with politically very astute individuals, the more so considering that it is a big misunderstanding to view them as communists.

The second scenario, the one outlined by Kwasniewski during the electoral campaign, is that of national reconciliation, concord, healing of divisions. That one, too, will not come true, because those who favor it want to gain from it personally. They want high offices for themselves. They want to bop the bishops on the nose. What will really happen will be halfway between the first and the second scenarios.

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Two things worry me. Will the anti-Kwasniewski, antigovernment opposition continue to present its simplified black-and-white picture of Solidarity Poland versus postcommunist Poland, dating back to the electoral campaign, a picture which does not correspond to the divisions existing within our society? My other worry is that nowadays Poland is facing the historic challenge of joining the European security structures as soon as possible. This is the key to our future.

[Marchut] Rightist politicians claim that now the postcommunists are in power they will delay our entry into NATO, but the postcommunists claim otherwise. What is decisive to speeding up our integration with the West?

[Najder] That will depend upon how we behave. I fear we shall want to cut off our nose to spite our face, meaning that we shall obstruct them in achieving our own goal just because they are working to achieve it. Basically, this is a tragic situation. Our dilemma is that if we do not agree to let the communists attain Poland's membership in NATO and the EU, then later they will claim they had to accomplish it on their own without our help.

[Marchut] Lately, people have been saying that since the communists won the parliamentary and presidential elections, let them accept all responsibility for Poland.

[Najder] Accept responsibility for Poland? Yes. And if they fail in accelerating this process, we and the next generations will have to pay the piper. We faced an open window of opportunity, and now it is still somewhat open, not yet fully closed. Should we then point out to the world that the communists are not so good for Poland and obstruct them? If we do that, we shall either delay that admission or fail even to delay it, and then the communists would say to us: You obstructed us, you false patriots, but even so we were successful. And that is the argument they will use in the next elections. One thing is certain: History does not stand still, and unless we gain a strong foothold in the European structures within the next few years, we many never have another such opportunity.

[Marchut] Russia is preparing for parliamentary elections. The communists have a strong lead in all the opinion polls. They view Kwasniewski as someone who is like them, rather than, as he would prefer, as a social democrat.

[Najder] That is wishful thinking on their part, and pure propaganda. Kwasniewski is definitely not a communist as the Russians interpret it; he is closer to the Liberals. That is reflected in the actions of Prime Minister Kolodko anyway.

During the "Election Evening," Karaganow said that Kwasniewski's room for maneuvering vis-a-vis Russia will be very limited, since he has to prove to the world that he is not being led on Moscow's leash. Besides, neither money, nor military assistance, nor recognition in the eyes of the world can be gained from the East. My fears, as far as Poland's eastern policy is concerned, are about Ukraine. I do not know whether this government will adopt an activist policy on Ukraine. That would be a risky action, but doing nothing would be still worse. If Ukraine remains a free country, we will be in a different world. This is no less important than our policy toward the West.

[Marchut] But let us return to our domestic issues. One of the pillars of the Left's electoral campaign was attacking the Roman Catholic Church. How will the SLD act toward it now?

[Najder] I suspect the new government will make a gesture of reconciliation toward the church, so as to show its magnanimity. After all, this will not cost it much, and it would eliminate a major source of conflict.

[Marchut] The electoral campaign was accompanied by a discussion of the church's influence in politics. Nowadays many people accuse the bishops of failure to openly condemn the communists.

[Najder] In my opinion, the church does not want to play the political role which various political groupings and individuals are trying to maneuver it into. The principles and values in which the church is rooted are one thing, and their bearers are another. The absence of a *chadecja* [Christian democratic party] in Poland that would lack direct ecclesiastical links is a great political burden to the church, because it has to take a stand on behalf of the values which the *chadecja* should be representing.

As to whether a Christian-democratic party will emerge from that ordering of the political scene, which, I hope, will occur, that I do not know. It would be desirable. Then the church could not only withdraw from public life, it also would not have to act in lieu of politicians.

[Marchut] What should be done by the opposition in order to win the next elections?

[Najder] If the opposition wants to win the next elections, it must match speaking what is true and just with speaking convincingly.

[Marchut] Meaning that a broad political program should be developed?

[Najder] Yes, but let me also add that political parties in Poland are so disunited. Opposition politicians, including the Freedom Union party, cherish the illusion of

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addressing millions. The entire system of expectations and motivations should be so organized as to appeal to something concrete when elections come around, instead of merely speaking of visions of the future and myths of the past.

Nowadays new ways of unifying the opposition bloc must be explored, because the existing opposition parties, from Freedom Union to the Christian-National Union, are at present subject to enormous splintering pressures. The question arises whether we shall be able to adequately organize ourselves during these two years. Besides, there is no reason for the communists to wait two years; they may hold the next elections within a few months. What will happen then? Will we be able to unite ourselves?

But the greatest predicament of all those engaging in politics is whether or not to let the postcommunists represent Poland exclusively in foreign affairs. I have no answer to this question.

[Marchut] Thank you for the interview.

Poland: Presidential Aide Interviewed on Vetting Law

WS2901145496 Poznan GLOS WIELKOPOLSKI in Polish 24 Jan 96 p 3

[Interview with Marek Siwiec, Polish secretary of state in the president's chancellery, by Walerian Ignasiak; place and date not given]

[FBIS Translated Text] [Ignasiak] Is the president really going to reveal all special service records?

[Siwiec] It is not the point to immediately make all the archives public. We are more interested in introducing credible security measures to ensure nothing is either added or taken out of the records because of the charges that are appearing. Securing secrecy and, at the same time, granting specified free access to the records will make it possible to establish clear rules for people seeking to perform public service. They will know that they have been eliminated for a job because of their confirmed associations, or they can defend themselves against groundless charges. Meanwhile, we have a paradoxical situation. The issue of the files is coming back like a boomerang, something that often happens at the most important political moments. Someone is disclosing the records in a selective manner, and the implied political meaning of such actions seems to be obvious. The independent press is publishing secret materials. And the people on whom a shadow of suspicion has been cast cannot defend themselves.

[Ignasiak] How come? The prime minister issued statements on TV and granted an interview to POLITYKA, did he not? Yet the sudden presidential initiative to present a vetting bill can be perceived by some people as an attempt to muffle the "Oleksy case."

[Siwiec] The president's initiative is an immediate reaction to the way the situation is developing. His interest in it proves that it has been well timed. In the process of its implementation, we want to avoid the mistakes made during the previous vetting attempts. That is why a special committee that is to watch over the records and the entire operation must enjoy full social confidence.

[Ignasiak] The opposition is raising numerous objections to the draft.

[Siwiec] I do not expect that the groups that sharply criticized Kwasniewski in his presidential election campaign will now sing his praises, the more so that this issue was not solved during the years of Solidarity rule. We are even accused of wanting to perform vetting on the opposition. In Poland now a very dangerous process of vetting by undemocratic methods through leaks and press articles is being launched. We want to work out democratic procedures to tackle this problem. The president's project will then be sent to the parliament, where it will be subject to the normal legislative process. Representatives of the both unions and other opposition parties can amend and complete the draft.

[Ignasiak] Since it will take a few months, can the Sejm work on the draft stop a swelling wave of "spy phobia"?

[Siwiec] I do not know if it can be stopped, but I do know that one should start solving this problem. Much will depend on the efficiency of the Sejm.

[Ignasiak] Do you share the opinion that the state is threatened and only Oleksy's resignation can clear the air?

[Siwiec] The state is neither internally nor externally threatened. What has been happening is a result of propaganda that has created a fashion for catching spies. The Oleksy case shows that, as long as there are no guarantees that the prime minister and the Cabinet can resist special service forces' attempts to shape political life, this milieu will be subject to dangerous infiltration. Our vetting initiative is zeroing in on closing the era of influencing politics through special service handling.

[Ignasiak] Do you believe it will succeed?

[Siwiec] It is the church that believes, but social results convince me more.

[Ignasiak] Given the present tense situation, which is a better solution, a new government coalition or new elections?

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[Siwiec] I will not answer which is better. Various options are possible. The president is also considering the possibility of early elections. If the coalition loses a majority, in a democratic world one usually holds elections. Parties and politicians cannot be afraid of elections. Should it come to new elections, however, much depends on the present parliament's ability to think things out.

Poland: Critical Evaluation of Constitutional Draft

96EP0017A Warsaw GAZETA BANKOWA in Polish 24 Dec 95 No 52, p 23

[Interview with Jerzy Ciemniewski, Freedom Union deputy and member of the Constitutional Committee of the National Assembly, by Maciej Urbaniak; place and date not given: "Populism and Rationalism"]

[FBIS Translated Text] [Urbaniak] The work of the Constitutional Committee is ending. The new Constitution of the Republic should be ready by 1996. The National Assembly is dominated by self-acknowledged leftist parties. Will, therefore, the constitution be of a leftist nature?

[Ciemniewski] It is very difficult to label postulates as leftist or rightist. These political categories are not very relevant nowadays. For example, as regards entitlements, Solidarity's draft of the constitution could be said to be extreme left, were the state's role as a mentor of the citizen termed leftist, and as such it coincides with the standards represented by the then in the opposition Democratic Left Alliance (SLD) in its draft of the Charter of Social Rights presented in the previous Sejm. Subsequently the SLD did not offer that charter again, because it was merely a maneuver designed to attract voters.

Similarly, the provisions governing the relations among agencies and branches of government in Solidarity's draft of the constitution do not differ markedly from those proposed, also in the previous Sejm, by the Polish Socialist Party and Labor Union. Thus the concepts of leftism and rightism in Poland nowadays serve rather as epithets or reason for praise than as references to viable options as regards economic or social policy.

[Urbaniak] From the standpoint of businessmen this sounds encouraging.

[Ciemniewski] I would not say that. Still, the constitutional draft should be viewed under the categories of populism and rationalism rather than leftism and rightism, and it does contain many elements of a populist nature. But let us start by considering what is missing from the draft being prepared by the Constitutional Committee. It lacks safeguards for private ownership, it merely provides for a general protection of the right of ownership, which, given property relations in Poland, is a very dangerous thing.

[Urbaniak] Why?

[Ciemniewski] A provision worded in this manner may lead to, e.g., a ban on privatization and the freezing of the existing status of ownership relations, or it could be merely narrowly interpreted as protecting ownership against its lawless violations.

[Urbaniak] Is this the sole flaw?

[Ciemniewski] Freedom Union's proposed formula for limiting the government's powers with regard to the economy was not accepted. It can be reduced to the statement that the state can engage in economic activity only insofar as it relates to implementing its constitutional functions. That formula accommodates the defense industry (because it is the state's duty to safeguard external security) and the possibility of taking economic measures relating to the protection of the environment or of cultural relics and architectural landmarks.

[Urbaniak] The draft contains a provision instructing the government to pursue a policy of full productive employment. Such a provision would justify any economic activity of the state sector.

[Ciemniewski] It does, but should it? Optimists claim that it will be of no practical importance. Pessimists (including myself) claim that this provision would lead to the total destruction of the state. As such, it should not be present in the constitution, meaning that it should not justify the pursuit of economic activity by the state.

[Urbaniak] Is not destruction a big word? After all, this provision could not warrant lawsuits by individual citizens before the Constitutional Tribunal. In other words, an unemployed person could not sue on the grounds that his right to employment was being violated.

[Ciemniewski] In the opinion of a majority of members of the Constitutional Committee, depriving citizens of the option of filing a constitutional suit is a sufficient safeguard against inferring legal consequences from the existence of such a norm. However, in my opinion, that majority displayed a lack of imagination on this point. After all, a complaint can be lodged with the Tribunal by a group of 25 deputies or 15 senators, or by the Citizens' Rights Ombudsman. They could institute proceedings against practically any law governing matters even loosely related to the economy, precisely from the standpoint of consonance with the obligation of "...pursuing a policy of full and productive employment."

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[Urbaniak] There are two edges to this sword. For example, one could claim the unconstitutionality of any laws that raise taxes excessively.

[Ciemniewski] The point is not the orientation or the position from which complaints can be made to the Tribunal. The very fact that such complaints would be made would roil the actual role of various branches of the government. For then the Constitutional Tribunal would become the highest instance on aspects of the pursuit of economic policy, a policy for which, after all, the government and the parliament are responsible. The Tribunal is a court of law, independent and politically autonomous. It is thus not expected to evaluate or, even more so, revise government policies.

There are several other similar provisions concerning government agencies in the section of the constitutional draft relating to civil rights and liberties.

[Urbaniak] And you view them as, to say the least, dispensable too, do you not?

[Ciemniewski] "Public authorities shall pursue a policy of meeting the housing needs of the citizens, inclusive of supporting their efforts to obtain their own housing," according to Article 58 of the draft. It can be readily shown that this provision conflicts with the banking law and the provisions of the Civil Law Code governing leasing, not to mention numerous provisions of administrative law.

Another example: "The government creates the conditions for safeguarding the ecological safety of present and future generations." Were the justices of the Constitutional Tribunal to display ecological hypersensitivity, most of Polish industry would have to be shut down. This is *reductio ad absurdum*, but still....

[Urbaniak] All the same, should interpreting guidelines of this kind not be included in the constitution?

[Ciemniewski] The constitution of a nation is not a list of important issues. It should be a list of important rights. There is no place in it for pious wishes. It must prescribe norms corresponding to closely defined and realistic obligations of their addressees. Only then can it play the legal and social role attributed to it—the role of the supreme law of the land. Were it to include a provision specifying some issue, that could provide an alibi for politicians.

Ecology and access to housing are not problems within the purlieu of constitutional law, they pertain rather to politics, political programs. It is precisely in its program that every party or coalition should offer ways of resolving such problems, while the public can decide once every four years whether the rulers are keeping their promises, and can bestow its confidence on those who, in the opinion of the voters, are best qualified to resolve them.

[Urbaniak] An entire chapter of the constitution is to deal with public finance. What will it contain?

[Ciemniewski] That is not quite clear as yet, because the Constitutional Committee has not yet decided on that chapter. Freedom Union would like it to include safeguards of rule of law as regards taxation. In our opinion, they should be chiefly safeguards of a formal nature—the principle that the assessment of taxes and the granting of tax rebates and exemptions should be entirely regulated by legislation rather than by acts of the Ministerial Council or the minister of finance. That would lay the foundation for the principle of equal treatment before the law to apply to all these matters. This is to be understood as follows: All taxpayers are entitled to the same legal rights, meaning that, e.g., tax rebates should not hinge on political pressures or personal friendships. Another important legal safeguard would be the principle that tax laws must start taking effect no later than three months before the next fiscal year.

As regards substantive law, we would like to introduce the principle that tax burdens may not infringe upon the substance of the right of ownership. This means that they should not only make it possible to preserve that substance but should also safeguard possibilities for economic growth. It is contraindicated to specify in the constitution the upper limit of taxation (e.g., 40 percent). That would be dangerous and undesirable, because it would encourage lawmakers to avail themselves of that ceiling often. Moreover, that principle would afford the Constitutional Tribunal the possibility of creatively interpreting tax regulations.

[Urbaniak] Is there a chance that this idea will be translated into reality?

[Ciemniewski] This would mean another clash between populists and those who favor creating the conditions for economic growth and bolstering respect for the right of ownership.

[Urbaniak] Please answer my question, sir.

[Ciemniewski] I hope the populists will not win.

[Urbaniak] What should the provisions concerning the budget be like?

[Ciemniewski] We would like to include in the constitution two key numbers ensuing from the Maastricht Treaty: The upper limit of permissible budget deficit, 3 percent of GDP [gross domestic product], and the upper

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limit of public debt, 60 percent of GDP. These ceilings are indispensable to the economic health of the country. The countries of the European Union must adhere to them by virtue of the international agreement binding them. Poland is not yet in the Union, but it would like to join it, and hence including these numbers in the constitution would be in the nature of a no longer solely political declaration.

[Urbaniak] There seems to be a chance that these provisions can be incorporated. The minister of finance has declared the intention of reaching the Maastricht indicators as soon as possible.

[Ciemniewski] But there exists a major conflict between thinking of the future and actual political interests. Making these indicators official would definitely narrow maneuvering space for every government and every parliamentary coalition in this country.

[Urbaniak] The constitution is also to contain a chapter dealing with the central bank.

[Ciemniewski] The institution responsible for monetary policy, and hence also for the inflation level, has to be unequivocally named. The entire responsibility must rest with the NBP (National Bank of Poland), given its strong standing and considerable independence. It should be out of the question for Sejm to define the premises of monetary policy as it is doing nowadays.

[Urbaniak] Would this not undermine the constitutional principle of the division of powers among the legislative, executive, and judicial branches? After all, the central bank would then be the fourth power—the money power.

[Ciemniewski] Money is a subject of economics, not governance. After all, in this case economic instruments are applied rather than classical mechanisms of duress. There exists, of course, the problem of the responsibility of the NBP chairperson for the correctness of the monetary policy pursued, and perhaps also of the division of that responsibility between that chairperson and a council (e.g., with chairmen of the biggest banks as members). Still, keeping the central bank isolated from the vagaries of current politics is a necessity.

[Box, p 23]

A Decision Is Needed

The constitution is becoming a legal act of growing importance to the economy, and perhaps above all to public finance. This is whopping, owing to the rising importance of the Constitutional Tribunal in the structure of government agencies.

The Tribunal has interpreted to its advantage the loopholes in the binding constitutional legislation. Thus, the provisions of laws conflicting with the constitution cease to be binding after six months unless Sejm overrules the Tribunal's rulings by then, while laws effectively questioned by the president before their signing end up in the basket.

If the foundation of the Polish polity is to be the division of powers among the legislative, executive, and judicial branches, strengthening the standing of the Tribunal is most indicated. This view is certainly shared by the Constitutional Committee, which has already voted that all rulings of the Constitutional Tribunal are to be final (not subject to verification by Sejm).

Questioned provisions cease to be binding on the day the Tribunal's ruling is made public, or also on a day fixed by the Tribunal. Only in the case of rulings involving financial outlays not envisaged in the budget law will the Tribunal specify the deadline for the annulment of a binding normative act, upon considering the opinion of the government. The related time limit cannot, however, exceed 18 months with regard to laws, and one year with regard to lower-ranking acts.

Should these solutions be adopted, the Tribunal would become the Mecca of every parliamentary opposition. It will be simply bombarded with pleas from that opposition. Yet, it is a court of law. That is why the importance of a precise and substantively correct wording of the norms of the new constitution simply cannot be overestimated. The less precise they are, the greater the possibility that the Tribunal will paralyze the course of the affairs of state that are a by-product of our legislation. Therefore, Deputy Jerzy Ciemniewski's comments should be seriously considered.

Poland: Telecommunication SA Bids for GSM License

96EP0016A Poznan WPROST in Polish 31 Dec 95 No 53, pp 36-38

[Article by Andrzej Szoszkiewicz, with the cooperation of Tomasz Wojciechowski, published under the rubric "Business-People-Money": "Insert a Coin: By Now Telecommunication SA Can Be Considered the Real Winner of the 'Bidding of the Century' for GSM License"]

[FBIS Translated Text] On 3 January 1996, at 1000 hours, all the consortia participating in the bidding to construct the GSM [expansion unknown] digital network of cellular telephones will submit their bids to the Ministry of Communications. By the end of the first quarter of 1996 the winners will be known. They will

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be awarded two licenses of equal value for putting into operation two networks, which jointly are to cost nearly $2 billion, the biggest investment project in Poland's postwar history.

Paul Wolters, the manager of the Polish branch of DeTeMobil, said, "The procedure for granting the licenses is quite clear and in accord with international standards. At most, more precise provisions defining future cooperation with Telekomunikacja Polska (TP) SA would still be needed."

Immediately after the bidding was announced, TP SA was rumored to be the real winner. Although that company is not participating formally in the bidding, the operating conditions of the future network are such as to assure it of a huge income. GSM operators will have to rely on TP SA's connections for every meter of cable they lay. Moreover, the firms do not know how much they will be charged and fear that the monopoly (TP SA) will protract the negotiations on connecting them to its network.

The Ministry of Communications will earn about 645 million zlotys [Z] from the sale of the licenses.

Any company offering less than ECU100 million (Z315 million) has no chance of winning the bidding.

The five principal bidders, Elektrim, Optimus, Petrochemia, Ciech, and RP Telekom, have succeeded in attracting participation by many Polish and foreign companies. Most of them have never before been active in the telecommunications field. They desire to invest because they anticipate huge profits. This is a high-stakes game, hence the composition of the individual capital groups may change even at the last moment. In each of these groups, Polish companies must own a share of at least 51 percent. In addition, they are required to identify their funding sources.

Elektrim has a good chance of winning the license. It took the longest time in preparing itself for the bidding. This is a company with experience in telecommunications (not as an operator but as an equipment manufacturer and distributor), and its financial condition is not bad (it ranks 27th among the biggest Polish enterprises, according to GAZETA BANKOWA). Moreover, it enjoys considerable influence among the political elites, and it has early enough reached an agreement with foreign partners (US West and DeTeMobil) and Polish banks (Bank Handlowy SA and Pekao SA). Owing to these connections, Elektrim should have no problems with both know-how and financing.

As for Petrochemia Plocka's consortium, it has attracted the biggest Polish companies as its partners. All of its principal shareholders, such as Polish Power Grids, Petrochemia, Polish Copper (Polska Miedz), and Stalexport, are among the 20 biggest Polish companies. Following the bad experience with Centertel, when, although they owned minority shares, foreign shareholders dictated the terms, in this new bidding the financial cloud of Polish companies will be decisive, the consortium's representatives claim. A major asset of this capital group is that it includes Polish Power Grids, which operates 4,000 km of fiber optic lines and its own power facilities.

Experience seems to be the forte of RP Telekom, the only significant private operator on the Polish telecommunications market. No other firm can boast of such successes in negotiations with TP SA, the firm's employees emphasize. The twelve companies belonging in that holding group own permits to build local telecommunications networks in ten voivodships. As regards the consortium it has established, RP Telekom (capital derived from the United States and Israel) is treated as a foreign partner.

As for Optimus, in its capacity as a bidder for GSM digital cellular telephone network it is debuting on the telecommunications market. Its chairman, Roman Kluska, claims to have the confidence of many financial institutions which assured him of their readiness to serve as funding sources. "GSM is a good investment. The yield rate is highly attractive," Kluska declared. One forte of that company is the name it has established for itself in computer hardware in Poland and the ramified network of its dealerships which can in the future be utilized to service cellular telephone subscribers.

The Polish GSM market is of interest to several big foreign wireless network operators, including the world's greatest specialist in that field, Air Touch. Petrochemia has reached a preliminary agreement with the Americans. Air Touch has already invested in such European countries as Belgium, Germany—where jointly with Mannesmann it is establishing the D2 consortium—Italy, Portugal, and Spain. In addition, it is a regular bidder in the Czech Republic, Austria, France, and Great Britain.

That capital group has also been joined by Tele Danmark, the sole NMT [expansion unknown] analog network operator in Denmark (271,000 subscribers) and one of the two operating the GSM network (139,000 subscribers) there. Forty-nine percent of shares in that Danish operator were traded on the stock exchange in 1994, and the company desires to use the capital thus gained for investment in major foreign projects, chiefly in the Baltic countries and in Central and Eastern Europe (Tele Danmark already owns a stake in the Pannon network in Hungary).

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US West is probably the most active Western operator on the Central European market. It is difficult to conceive of any bidding in this region without the participation of that company. After Hungary, the Czech Republic, Slovakia, and Romania, the Americans have now become interested in Poland. Most likely, they will cooperate with Elektrim.

The representatives of DeTeMobil claim they wanted from the outset to cooperate with this consortium. DeTeMobil, owned entirely by Deutsche Telekom, operates the first German digital network, GSM-D1 (1.3 million subscribers), plus the C-Netz analog network (more than 700,000 subscribers). Having lately lost out in bidding in Holland and the Czech Republic, this German operator has solidly prepared itself for entering our market.

The foreign partners of RP Telekom are Mannesmann and Unisource. In December 1989 Mannesmann had, jointly with Air Touch, an American company, been granted a license to develop the first German private cellular telephone network, GSM-D2. By now the number of its subscribers exceeds 1.4 million. For the time being, Mannesmann has not been successful in its foreign ventures.

Optimus has reached an accord with Telecom Finland, a company operating 860,000 wireless telephones (including 230,000 under the GSM system). In Finland as much as 99 percent of the population can avail itself of the GSM network. Roman Kluska's company is also being courted by Milicom (Sweden) and the German power colossus, VEBA. Milicom, 35-percent owned by Kinnevik, a conglomerate, owns nearly 20 permits for servicing small wireless networks in Asian and African countries, as well as in Lithuania and Russia.

It is still unknown whether Centertel will join in the bidding. TP SA, which is firmly opposed to granting a license to Centertel, has lately been exploring an agreement with partners. Centertel's foreign shareholders (Ameritech and France Telecom) claim, referring to a 1991 letter of intent, that the Polish Ministry of Communications did promise them a license. Ameritech has already instituted arbitration proceedings, estimating at half a billion dollars its losses owing to failure to receive a license to construct a GSM network. France Telecom intends to take a similar step. In such a situation two possibilities are considered: Either Centertel will gain within two years the right to build a DCS 1800 network (a more up-to-date version of digital telephony) or it is granted a license to build a third GSM network. Jean Baptiste de Boissiere, the chairman of France Telecom Mobile International, claims that his company is ready to pay for a license "a reasonable amount" which would be no lower than the fees to be paid by the winners of the bidding for a GSM network. "Should Centertel stick to its obsolete analog system, then that company would survive for at most five years," said de Boissiere. This is a way of getting rid of a partner who had been promised something previously, with the promise not being kept.

According to expectations of the Ministry of Communications, by the year 2000 there will be about a million GSM network subscribers in Poland.

Hence, also for some time now big foreign equipment makers have been active in this country: Ericsson, Motorola, Nokia, Siemens, and AT&T. Ericsson (Sweden) last October put into operation in Warsaw its first GSM system by way of a demonstration. The base station, installed at Hotel Victoria and linked to TP SA's network, has made it possible to talk with subscribers throughout the world. According to Hans Cronberg, it will take three to six months to extend this network to the larger cities, and two to three years to extend it throughout this country.

[Box, p 38]

The Bidders

Elektrim Consortium: DeTeMobil (Germany), US West (United States), Kulczyk Holding, Impexmetal, Bank Handlowy, Pekao Bank SA, Bank Rozwoju Eksportu (Export Development Bank).

Petrochemia Consortium: Air Touch (United States), Tele Danmark (Denmark), Polska Miedz, Polskie Sieci Energoelektryczne (Polish Power Grids), Stalexport, Weglokoks, BIG [Economic Initiatives Bank].

CIECH Consortium: STET (Italy).

Optimus Consortium: Telekom Finland (Finland), VEBA (Germany), Milicom Cellular (Sweden), Polski Bank Rozwoju, Polski Bank Inwestycyjny, PZU Zycie.

RP Telekom Consortium: Mannesmann (Germany), Unisource (Sweden, Holland, Spain, Switzerland), Goldman Sachs (United States), Exbud, Universal, Telewizyjna Korporacja Inwestycyjna, Bank Slaski, PKO BP [General Savings Bank-National Bank].

Poland: Telecommunication SA Head on Privatization

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[Interview with Jacek Gadomski, chairman of the board of Telecommunication SA, by Andrzej Szoszkiewicz; place and date not given: "In the National Interest:

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Telecommunications Systems Can Be Privatized After They Are Installed"]

[FBIS Translated Text] [Szoszkiewicz] Why has TP SA not joined in the bidding for the construction of a GSM digital cellular telephone network?

[Gadomski] We have not done so for several reasons. First, the cost of constructing such a system network is extremely high and, should we bid and win the bidding for the license, the development of the traditional telephone infrastructure would suffer. Second, the license will be granted to two independent operators, which will make it possible to attract foreign capital. Third, the telecommunications branch should be liberalized, whereas, were we to join in the bidding, our monopoly in this market would be strengthened.

[Szoszkiewicz] Although TP SA is not bidding for a license, even now it is the real winner of this bidding war, since the other operators would have to use your telephone links.

[Gadomski] TP SA is a 100-percent state-owned company, and hence the state is protecting its interests. We believe we would profit more from leasing our existing lines without having to start new investments. As a result, our infrastructure will be better utilized.

[Szoszkiewicz] The minister of communications expects to receive about 645 million zlotys from two GSM operators in payment for the licenses.

[Gadomski] This seems a reasonable amount. In Greece, for example, two operators paid $200 million each. Consider that in Poland installing the GSM requires considerable investment, but the payoff can be huge as well.

[Szoszkiewicz] Will the bidding timetable be adhered to?

[Gadomski] I think so. There has been much speculation on this topic, but the schedule specified by the minister several months ago will be kept. A positive aspect of this bidding is the clarity of its rules and the adherence to them.

[Szoszkiewicz] The growing conflict between Telekomunikacja Polska and Ameritech may discourage other Western companies from investing in Polish telephone systems.

[Gadomski] I do not think so. I believe the hue and cry about this affair has been blown up.

[Szoszkiewicz] Would it be possible to renegotiate the agreement with Centertel shareholders?

[Gadomski] That is not out of the question. We have presented our arguments to our partners, and talks on the subject are continuing. This year, for the first time, TP SA received a dividend, $10 million. At the request of Centertel's board of directors we agreed to receive this money in installments.

[Szoszkiewicz] How do you perceive further cooperation from shareholders in that company?

[Gadomski] We shall endeavor to have the company operate more efficiently and become streamlined internally. We are in favor of a continued and profitable existence of Centertel. But the influence of individual shareholders on management should be proportional to their possibilities and commitment.

[Szoszkiewicz] The establishment of a digital cellular telephone network is a major stage in demonopolizing our telecommunications market. In this connection, when will TP SA itself become privatized?

[Gadomski] A decision on this matter is to be made in 1997. Telecommunications in Poland should first be built and adapted to European standards before being privatized.

[Szoszkiewicz] Can TP SA really "catch up with Europe," considering that the predicted index of 25 telephones per 100 capita in the year 2000 is nowadays nothing special on our continent?

[Gadomski] I disagree with this opinion. At the beginning of 1995 we had about five million subscribers, and by its end we will have added more than one million. This is an increase of more than 20 percent, unprecedented in any other country. In France the corresponding figure has been at most 18-19 percent. The number of telephones needed for proper functioning of communications hinges largely upon a country's level of economic development. For example, in Poznan Voivodship some districts are "saturated" and there is no interest in more telephones. At present we have nearly 15 telephones per 100 capita, compared with barely eight in 1991. Next year this indicator will rise to 17, and in 1997 to about 20.

[Szoszkiewicz] Other countries also are investing, and thus it will be difficult to leap from the penultimate ranking in Europe to a higher rung.

[Gadomski] That is not so. The proportions are changing. In the Western European countries the saturation threshold is becoming reached once there are 40 to 50 telephones per 100 capita.

[Szoszkiewicz] Western operators, including state-owned ones, attach great importance to quality of services. Yet, according to the recent report commissioned by the Antimonopoly Office, TP SA is in

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poor repute among customers. They complain about exorbitant fees and about being charged for the cost of new investments.

[Gadomski] We have always had too few telephones in this country, and the treatment of customers has been condescending. But I think that now, as the number of subscribers is growing, the attitude of company employees toward customers will be changing. Public opinion surveys point to a definite improvement in our image. If we compare prices in various countries, we will find that our fees in Poland are at the average level. As for their burdensomeness, in terms of the level of affluence of our population, that is another matter.

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Romania: Serbia's Mira Markovic Meets With Iliescu

AU3001124596 Bucharest Radio Romania Network in Romanian 1100 GMT 30 Jan 96

[FBIS Translated Text] President Ion Iliescu met this morning at Cotroceni Palace [Romania's Presidency] with Mrs. Mira Markovic, wife of Slobodan Milosevic, president of the Republic of Serbia.

Mrs. Mira Markovic is a university professor of sociology and leader of the Yugoslav United Left party.

Mrs. Markovic said, in a statement she made to the press after the meeting with President Iliescu, that the visit has a general character, its goal being primarily the reestablishment of scientific relations and, after that, relations of a political nature.

Regarding her talks with President Ion Iliescu, Mrs. Mira Markovic said that these talks also had a general character connected with the issues of the Balkan region and with relations between the two countries.

In the context of lifting the sanctions to which it had been submitted, Mrs. Markovic said that Yugoslavia has embarked on reestablishing its relations with the world and that Romania will have a privileged place in this process, taking into account the exceptional relations that have always existed between the two countries.

Romania: Tokes Criticizes Hungary's Minority Policy

AU3001085396 Budapest NEPSZABADSAG in Hungarian 27 Jan 96 p 2

[Report by Bucharest correspondent: "Tokes Criticizes the Hungarian Government—The UDMR's Honorary Chairman Has His Own Proposals on Conciliation"]

[FBIS Translated Text] Hungarian foreign policy points in the direction of internal conflict and is becoming uncertain, Laszlo Tokes [Presbyterian bishop, honorary chairman of the Democratic Union of Hungarians in Romania, RMDSZ, UDMR in Romanian] believes. In his view, Budapest's national minority policy is becoming similar in many ways to the Romanian Government's window dressing policy on national minorities.

In a lengthy interview given to ERDELYI NAPLO [Transylvanian Journal] published in Nagyvarad [Oradea], Tokes discusses in detail his alternative proposals on the historic reconciliation that he has sent to the Hungarian and Romanian presidents. He said that the aim of his proposals is to make the sides aware that the "national minority issue cannot be avoided" in bilateral relations.

On the Hungarian Government's policy on minorities living beyond the borders, he claims that it is confined to "wise" conformity and it accepts the minimal room for maneuver dictated by the Romanians and the Slovaks. He quotes as typical one of Hungarian Foreign Minister Laszlo Kovacs's statements, that it is vain to hope that the Romanian or the Slovak Governments will abandon their education and language laws, respectively. And, as this is unlikely, one must rather try to see to it that these legal rules have a minimal effect on the national minorities.

Tokes states: If Hungarian foreign policy does not consider a political goal possible from the outset and voluntarily abandons it, it will obviously never achieve it. For this reason, Hungarian foreign policy is almost more harmful than the Slovak or Romanian authoritarian attitude. While we experience the political goals of oppressive nationalisms as a fact of life, we feel Hungary's politics as our own, he said.

Then Tokes explains that after the current Hungarian Government came to power, it was often said that the Antall government had interfered in the UDMR's affairs and had tried to use the Hungarians living beyond the borders for its own goals.... However, I am now forced to say that this government is no better than the previous one. We welcome and even expect the presence of the Office for Hungarians Beyond the Borders and the interest of the Hungarian Government. However, we cannot accept that, in certain situations, they strongly want to determine our politics and that they give preference to certain political attitudes within the UDMR.

Finally, Tokes sums up his criticisms by saying that this government is in a state of inner conflict. It wants to support us on the one hand, and formally it does more than its predecessor did, but, on the other hand, if it pursues the politics formulated by Kovacs, it cannot give any effective support.

Romania: Tudor Will Not Run for Senate Position

AU2601194396 Bucharest Radio Romania Network in Romanian 1400 GMT 26 Jan 96

[FBIS Translated Text] In the opening of the news conference held by the Greater Romania Party [PRM], Deputy Ioan Dutu presented a communique which states that Senator Corneliu Vadim Tudor [PRM president] will no longer run for the position of secretary of the Senate's Permanent Bureau in the next parliamentary session. This is because of his numerous obligations connected with fulfilling his duties as party president and also connected with the preparation and unfolding

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of the electoral campaign for general local and presidential elections.

Further, the communique notes that, in his recent statement, Emil Constantinescu, president of the Democratic Convention, failed to show interest in the political and moral actions of the PRM; instead, he misinterpreted ideas and the objectives of this political formation, trying to gain political capital.

The communique also stresses the fact that there is no direct conflict between Senator Corneliu Vadim Tudor and President Ion Iliescu, rather it is a problem of principle regarding the appropriate functioning of state institutions, for which the PRM has worked permanently, our correspondent Tudor Stanciu informed us.

Romania: PD Head 'Preparing' for Presidential Elections

AU3001141296 Bucharest JURNALUL NATIONAL in Romanian 22 Jan 96 p 6

["Exclusive" interview with Petre Roman, president of the Democratic Party, by Marius Vintila; place and date not given: "I Will Join This Race in Order to Win"]

[FBIS Translated Text] At the end of last week, the leaders of the Social Democratic Union [USD] visited Cluj-Napoca and Sibiu.

When we asked Petre Roman [president of the Democratic Party—PD] whether there will be any agreements between the Social Democratic Union and the UDMR [Democratic Union of Hungarians in Romania] at the time of the elections, he cited the example of two places in Cluj County where the candidates for the position of mayor and deputy mayor, respectively, will be USD and UDMR members, in order to avoid concentrating local power in one hand. However, the two USD copresidents said that this does not mean that some UDMR leaders' separatist ideas will be accepted. If the PD does not (yet) have a serious contender for the position of mayor, as a contestant against Gheorghe Funar, PUNR [Romanian National Unity Party] president in Cluj Napoca, in Sibiu—said Petre Roman—there are valuable people in the leadership of the county organization who must be pointed out, such as Engineer Romeo Trifu (currently president of the Association of Presidents of County Councils) and Nicolae Nan (former prefect).

At the end of the USD leaders' news conference, which was held in the elegant "White Hall" of the oldest hotel in Romania (1555), Petre Roman made a few statements exclusively for our paper:

[Vintila] You have said that you are the third political force in Romania.

[Roman] We certainly are.

[Vintila] It might happen that you will not win enough seats in Parliament to form a government alone. In that case, where would you turn, to the PDSR [Social Democracy Party of Romania] or to the CDR [Democratic Convention of Romania]?

[Roman] I believe that, for the time being, in the election stage, when a political option is being formed in Romania, an alternative is necessary. Evidently, the alternative rests with the PDSR. After the elections, according to the wish of the people, given the pace of reform, an expansion is required.

[Vintila] What have you gained from the alliance with the PSDR [Romanian Social-Democratic Party]?

[Roman] It is difficult for me to say. The PSDR is a smaller party, but what we have gained together is a certain quality and credibility in speaking about a social democratic poll. This could not have been achieved by any of the parties separately. We have gained in what is called the image of the country at home and abroad.

[Vintila] Will you run for Romania's presidency or not?

[Roman] I am preparing for it, but you need to be patient....

[Vintila] What are your chances compared with Ion Iliescu's?

[Roman] My commitment can be only to win. If I join this race, I will do so in order to win!

Romania: Stangaciu Appointed Head of Gendarme Command

AU2901174396 Bucharest ADEVARUL in Romanian 22 Jan 96 p 8

[Report by N.M.: "General Stangaciu Is the New Head of the Romanian Gendarmerie"]

[FBIS Translated Text] The new head of the Command of Gendarme Troops is Brigade General Stan Stangaciu. He was born in 1942 and graduated from the Military School for Officers of the Interior Ministry in 1964. He also graduated from the Academy of Higher Military Studies of the General Staff's Higher College for Officers. He held positions of command, starting with the position of platoon commander and up to that of battalion commander. After 1990, he took over the position of commander of Gendarme Brigade No. 17, which is in charge of guarding the major institutions and objectives of the state. On 1 September 1993, Romanian Gendarme Day, he was promoted to the rank of brigade general.

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Federal

FRY: Kontic Urges Western Leaders to Release Funds

LD3001144396 Belgrade TANJUG Domestic Service in Serbo-Croatian 1314 GMT 30 Jan 96

[FBIS Translated Excerpt] Belgrade, 30 Jan (TANJUG)—Federal Prime Minister Dr. Radoje Kontic sent a letter to all the prime ministers of the most developed European countries and to the United States in which he proposes on behalf of the FRY Government and himself the reestablishment of all forms of cooperation between the FRY and these countries.

Kontic sent the letter to the prime ministers of Britain, John Major; France, Alain Juppe; Switzerland, Jean-Pascal Delamuraz; Denmark, Poul Nyrup Rasmussen; and to U.S. Secretary of State Warren Christopher.

The Yugoslav prime minister recalls the high level of cooperation and traditional friendship which existed between the FRY and these countries before the introduction of sanctions against the FRY and says that this was possible thanks to the mutual respect of the partners and their interests, which is the only sure foundation for the development of relations and cooperation in the future.

Dr. Kontic goes on to say that, as the Federal Ministry for Foreign Affairs announced today, he believes that after the lifting of sanctions there is no reason for the continued blocking of the National Bank of Yugoslavia's funds in the banks of these countries and that the continuing freeze of these funds would cast doubt on the equal treatment of all parties, which is one of the basic principles of the agreement on peace in the former Yugoslavia and a prerequisite for its successful implementation. [passage omitted]

In conclusion, the FRY prime minister expresses confidence that his initiative will meet with understanding and that the banks of these countries will release the National Bank of Yugoslavia's funds and create conditions for the continuation of financial and other cooperation between Yugoslav institutions and their partners in the United States, Great Britain, France, Switzerland, and Denmark.

FRY: OSCE's Cotti Assesses Talks With Milosevic

AU2901192996 Belgrade Radio Beograd Network in Serbo-Croatian 1800 GMT 29 Jan 96

[Report by Jugoslava Zagorac—recorded]

[FBIS Translated Text] [Announcer] Esteemed listeners, we have already informed you that President Slobodan Milosevic received Flavio Cotti, Swiss foreign minister and OSCE [Organization for Security and Cooperation in Europe] chairman. After talks with Serbian President Slobodan Milosevic, Minister Cotti made a brief statement for the assembled correspondents. Jugoslava Zagorac reports.

[Zagorac] Stressing that the post of OSCE chairman is a challenge for Switzerland, Cotti said:

[Cotti, in English with superimposed Serbo-Croatian translation] The issue of Bosnia and the implementation of the peace plan is the most important mandate of the Dayton Agreement entrusted to the OSCE. We are here to lay the groundwork for free and democratic elections in Bosnia within the foreseen deadline. Moreover, the safe survival and existence of Serbs in Sarajevo is a condition for the survival of the multinational community which is a projection of the entire region's future.

[Zagorac] In response to whether the Federal Republic of Yugoslavia [FRY] would soon renew its membership in the OSCE, Cotti said that the general feeling of all member states was positive and that they all support the FRY's return to the organization. However, there remain several issues which still need to be solved.

FRY: Cotti-Milosevic Talks Called 'Exhaustive'

LD2901214396 Belgrade TANJUG in English 2128 GMT 29 Jan 96

[FBIS Transcribed Text] Belgrade, Jan 29 (TANJUG)—President of the Organisation for Security and Cooperation in Europe (OSCE) Flavio Cotti said in Belgrade late on Monday that he had had exhaustive talks with Serbian President Slobodan Milosevic.

Speaking after meeting with Milosevic, Cotti said that the preparation of free and democratic elections in Bosnia-Herzegovina was the most important job of the OSCE.

The question of Bosnia is the OSCE's most important mandate, given under the Bosnia peace accord (initialled in Dayton, Ohio, in November of 1995 and signed in Paris in December), Cotti said.

He added that the organisation would try to create the best possible conditions and framework for this most important job on its agenda, and prepare free and democratic elections as soon as possible.

Cotti, who is Switzerland's foreign minister, said that his talks with Milosevic had related also to the status of the Federal Republic of Yugoslavia (Federation of Serbia and Montenegro) in the OSCE.

There is still no unanimous agreement among the OSCE members to Yugoslavia's return to the organisation, but

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there is certainly a wish to include it again in its work, Cotti said.

He said that his talks with Milosevic had touched briefly also on the question of the southern Serbian Province of Kosovo-Metohija (where an ethnic Albanian separatist movement has been active for years).

Cotti voiced the belief that this problem should be dealt with inside Yugoslavia, and saw a solution as lying in wide autonomy for Kosovo-Metohija within Yugoslavia's borders.

He described relations between Switzerland and Yugoslavia as excellent and said he felt that his visit would help consolidate bilateral cooperation.

Cotti said that he had not discussed with Milosevic the status of Serb Sarajevo in any great detail.

He expressed the belief that Serbs should stay on in their parts of the city as an essential prerequisite for the multi-ethnic solution envisaged under the Bosnia peace accord.

FRY: Problems Reported in Relations With EU

LD2801155196 Belgrade TANJUG in English 1412 GMT 28 Jan 96

[Report by Vladimir Holovka]

[FBIS Transcribed Text] Brussels, Jan. 28 (TANJUG)—The European Union (E.U.) has said that in the next few days or weeks it could start the normalization of relations with Yugoslavia first by upgrading the level of diplomatic relations, followed by a gradual revival of trade and other links.

E.U. isolated the Federal Republic of Yugoslavia (Federation of Serbia and Montenegro) in late 1991 before the outbreak of the war in the territory of the former Yugoslavia by suspending the so-called second and third financial protocols agreed by the European Community and the former Yugoslavia, and then by suspending all trade benefits and cooperation agreements.

Over the past four years, relations between united Europe and Yugoslavia were thus reduced mainly to humanitarian aid and aid for refugees, which amounted to less than ten percent of the one billion ECU so far provided by E.U. to the breakaway former Yugoslav republics.

The signing of the Dayton peace accord and the U.N. Security Council's decision in late November 1995 to suspend its sanctions against Yugoslavia provided an opening for the European Union to do the same, as it indeed did at the first meeting of the Council of Ministers in December.

E.U.'s positive laws regulates all possible mutual relations between its members. For Yugoslavia there exist no real agreements nor any replacement for the previous ones. Without a protocol, goods from Yugoslavia will be burdened by huge tariffs, thus making very expensive all kinds of trade.

A new protocol on E.U.-Yugoslav cooperation has in advance been described as different from the previous one, under which the former Yugoslavia had the status of the most privileged nation. It was said that the changes are a result of numerous radical changes in Europe and the world during the four-year war in the Balkans.

However, E.U. politicians and officials have over the past few days said that there are no obstacles to reviving trade, transport and other forms of economic, cultural and other cooperation.

Normalization of E.U.-Yugoslav economic relations is blocked by the platform adopted last October in Luxembourg by the E.U. Council of Ministers. The document contains a number of conditions—many of which are of a political rather than an economic nature—which Yugoslavia should fulfill before the start of talks on a cooperation protocol.

The European Union demands the democratization of political activities, privatization, a market-oriented economy, the mutual recognition of the newly-created states. It also raises the issue of the autonomy of Serbia's southern Kosovo-Metohija Province and cooperation with the international war crimes tribunal in The Hague.

FRY: EU Ministers Disagree on Recognition of FRY

LD2901222296 Belgrade TANJUG in English 2206 GMT 29 Jan 96

[FBIS Transcribed Text] Brussels, Jan 29 (TANJUG)—The European Union's foreign ministers gathered in Brussels failed on Monday to reach accord on normalising relations with the Federal Republic of Yugoslavia (Federation of Serbia and Montenegro). Different sources at E.U. headquarters and in some European capitals had lately been indicating that such an accord was in the offing.

A ranking E.U. official said, however, that it had failed to materialise because of an absence of an expected mutual recognition agreement between Yugoslavia and the former Yugoslav Republic of Macedonia (FYROM).

France is urging the European Union to recognise Yugoslavia in the interest of giving a positive impact to the peace process. French Foreign Minister Herve de

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Charette said in answer to a reporter's question after the ministerial council debate.

De Charette said that France saw no problem about the recognition of Yugoslavia and would appoint a new ambassador to Belgrade very shortly. British Foreign Minister Malcolm Rifkind said that there was a general movement within the European Union for recognising Yugoslavia. Germany, however, demanded that the recognition of Yugoslavia be made conditional on prior mutual recognition between Yugoslavia and the FYROM, according to diplomatic sources.

FRY: Milosevic-Meciar Talks Focus on Bosnia

LD2901211296 Belgrade TANJUG in English 2100 GMT 29 Jan 96

[FBIS Transcribed Text] Belgrade, Jan. 29 (TANJUG)—Slovak Prime Minister Vladimir Meciar said Monday [29 January] he had discussed with Serbian President Slobodan Milosevic ways and means of making the Bosnia peace accord hold.

Addressing reporters at the Slovak Embassy following talks with Milosevic, Meciar said they had urged that means be found to make a peace accord for Bosnia signed in Paris on December 14 hold in the interest of peace and stability.

They also urged that solutions be found to outstanding issues that had not been resolved yet, he said.

Meciar said his country had played a positive role in 1995 in a restoration of peace in the former Yugoslavia.

He said the talks had dealt also with international relations and the need for a reintegration of the Federal Republic of Yugoslavia (Federation of Serbia and Montenegro) into world organisations following the November 22 suspension of the sanctions against Belgrade.

In this connection, he said they had paid special attention to cooperation in Central Europe and Yugoslavia's joining the Central European Free Trade Association (CEFTA) and had both shown interest in a project on a free trade zone that would include the Baltic Sea region, the Mediterreanean and the Black Sea region.

He said they had also discussed relations between the two countries, and said President Milosevic had fully backed an agreement on four contracts to be signed with the Yugoslav government on Tuesday.

Milosevic had also backed agreement between the two countries' businessmen that trade between Slovakia and Yugoslavia be increased this year from 23 million U.S. dollars to about 400 million dollars, he said.

Meciar also said one of the issues that were yet to be solved was that concerning Slovakia abolishing visas for Yugoslav citizens, explaining that several million people living abroad were holders of passports issued in the former Yugoslavia.

In case that they wanted to visit Slovakia, it would be very difficult to check them, he said.

Slovakia will first abolish visas where it concerns diplomatic and service passports, he said.

Meciar quoted Milosevic as saying that ethnic Slovaks living in Yugoslavia were loyal to their country and that they had preserved their national identity over the past 250 years.

He said he had conveyed to Milosevic his country's gratitude for Serbia's and Yugoslavia's principled policy towards national minorities.

After the news conference, Meciar met with ethnic Slovaks' representatives at the embassy.

FRY: Milosevic, Slovakia's PM Discuss Economic Links

LD2901180996 Belgrade TANJUG Domestic Service in Serbo-Croatian 1633 GMT 29 Jan 96

[FBIS Translated Text] Belgrade, 29 January (TANJUG)—President of the Republic Slobodan Milosevic today received Premier Vladimir Meciar, who is heading a Slovakian government delegation on an official visit to our country.

During their cordial and friendly talks, Milosevic and Meciar exchanged opinions on the development of bilateral relations and noted considerable mutual interest for a comprehensive intensification of contacts and links, particularly for expanding economic cooperation between the two states.

Both sides expressed the desire that the level of economic cooperation, which stood at the annual level of nearly $500 million up to 1991, should be restored as soon as possible. It was also said that, in addition to traditional exchange of goods and cooperation in production, particular importance should be given to forging links between Yugoslav and Slovakian economic partners and their joint participation in third markets, particularly in the West and the "Third World" countries. It is of particular importance for our country to establish cooperation with the Central European Free Trade zone, which is currently presided over by Slovakia.

The two countries are interested in improving cooperation in the fields of transport, agriculture, power industry, chemical and pharmaceutical industry, civil engineering, ferrous and non-ferrous metallurgy, tourism, trade, and others.

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It was also said at the meeting that the Slovak national minority in Serbia strengthens and enriches the friendly relations and cooperation between our country and Slovakia.

It was also stressed in the talks that the Federal Republic of Yugoslavia highly appreciates Slovakia's activity and its support for the peace process in the Balkans, and its readiness to aid the Federal Republic of Yugoslavia's reintegration in international institutions, from the United Nations and the Org anization for Security and Cooperation in Europe to the Central European Initiative, Danube cooperation, and other forms of international cooperation.

The Federal Republic of Yugoslavia and Slovakia have been developing close relations of establishing links and are ready to continue open consultations on a multitude of issues of mutual interest, in which special place is given to the precious experience gained by each country in the domain of internal economic development and industrial progress, it was stressed in talks between President Milosevic and Prime Minister Meciar.

FRY: Amnesty Bill on Deserters Ready for Approval

LD2801164096 Belgrade TANJUG Domestic Service in Serbo-Croatian 1504 GMT 28 Jan 96

[FBIS Translated Text] Kragujevac, 28 Jan (TANJUG)—The draft law on amnesty for persons charged with dodging military service by 14 December 1995 has been prepared, and the law will be passed under emergency procedure, Aleksandar Ignjatovic, the head of the legal department of the federal Defense Ministry told Radio Kragujevac today.

Taking part in "The Hallmark of Time" program, Ignjatovic said that the law would be approved by the federal government by mid-February and by the Yugoslav assembly by the end of February. It will come into force eight days after it is published in the Official Gazetteer.

Ignjatovic recalled that the last amnesty in our country was passed in 1982 and pointed out that, in fact, this draft law covers the period from 1982—and not 1990 as some media have reported—to December 1995.

According to Ignjatovic, the number of persons covered by the amnesty will be much bigger than previously announced. He explained that this is because all persons who had dodged military service—not just the 12,455 who have been charged with dodging it—will be amnestied.

Serbia

Serbia: Ex-Deputy PM Returns as Milosevic Aide

AU2901174296 Bad Vilbel VESTI in Serbo-Croatian 26 Jan 96 p 4

[Unattributed report: "Simic Again Milosevic's Adviser"]

[FBIS Translated Text] It is with great satisfaction that I am coming back as adviser to Serbian President Slobodan Milosevic, Zeljko Simic told the Belgrade weekly INTERVJU. Just over a year ago, Simic was deputy federal prime minister and is currently president of the Yugoslav Waterpolo Association.

Denying allegations that after the 1992 elections he simply "disappeared" from the political scene, Simic said that he "took as an inevitable phase everything that had happened to him, since an individual is not born as deputy prime minister or a general manager," and that his political life and advancement proceed along parallel lines "without any possibly of being derailed."

Simic's sudden removal as federal deputy prime minister at a time when it was expected that he would take over as foreign minister has still not been clarified, but he told INTERVJU that he was not vindictive and that he would try to attain a status suited to his abilities, "particularly my ethics, which separate me significantly from others."

I never opposed President Milosevic simply because I was organically attached to a political organization in which stances are agreed democratically, and must therefore be respected." [sentence as published] I know the president from the time when he was a member of the Central Committee's City Committee, and my impression of him has not paled; he is a man of supreme mental economy, Simic said.

Asked to explain how it was possible that he abandoned his image of a composed man and during the election campaign called Vuk Draskovic a "criminal messiah," Simic said:

I said something that does not reflect positively on me, but it was a time of extremely sharp campaign rhetoric and reactions. It was simply a sharp response to the said leader's claim in calling me a "liar." I was extremely offended, but that cannot justify this type of statement, Simic concluded.

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Serbia: Milosevic's Son Reportedly Causes Car Accident

AU3001103396 Belgrade NASA BORBA in Serbo-Croatian 29 Jan 96 p 20

[Report by B.J.: "Traffic Accident Near Smederevo Caused by Marko Milosevic"]

[FBIS Translated Text] Smederevo—Jelena Mitkovic, the daughter of Miroslav Mitkovic, governor of Branicevac County and director of MIP (expansion unknown) and Zoran Ivanovic, owner of the Pozarevac cafe Rolex, were injured in a traffic accident that occurred on Thursday [25 January] on the Nis highway near the Jerina Motel located on the exit route from Smederevo.

Marko Milosevic [Slobodan Milosevic's son], (a regular at the Rolex), was behind the wheel of the car when it skidded off the road, but he soon disappeared from the scene of the accident. We have learned that the Smederevo police did not carry out an investigation (it will probably be conducted by the republican police), while the two injured passengers, although they received treatment, were not entered in the files of Smederevo hospital.

Serbia: Albanian Language Issue Resurfaces in Kosovo

LD3001125496 Belgrade TANJUG in English 1145 GMT 30 Jan 96

[Report by Miljan Vuksanovic]

[FBIS Transcribed Text] Pristina, Jan. 30 (TANJUG)—The issue of classes in the Albanian language in Serbia's southern Kosovo-Metohija province has recently resurfaced.

Under pressure of separatist leaders, who advocate Kosovo's secession from the Federal Republic of Yugoslavia and Serbia and its annexation to neighboring Albania, ethnic Albanians have been boycotting all official institutions and state organs, including classes held in accordance with Serbia's education system.

Following a recent meeting between Kosovo district head and Serbian minister, Aleksa Jokic, and members of the international Aspen Committee for the Balkans, Jokic told journalists that 'concrete talks on classes in the Albanian language could shortly be expected.'

In this sense the provincial education secretariat in Pristina, capital of Kosovo, has prepared a statement about the state of affairs in Albanian-language high schools.

At the same time, solutions are being proposed according to which pupils would first have to pass certain exams after which they would receive diplomas on the already existing printed forms of the Republic of Serbia.

Almost identical proposals for the same issue were made three years ago during internationally mediated talks between the representatives of the Serbian and Kosovo education ministries and parallel associations of ethnic Albanians.

The talks were cut short after the ethnic Albanians rejected a compromise solution. Ethnic Albanians have regularly used the issue of Albanian-language education to impose a debate on Kosovo's political status, avoiding to discuss concrete education issues.

Political and propaganda aims have dictated that Albanian-language classes in elementary and high schools, and even at the university, be conducted according to illegal education plans and programs. At the end of the term, pupils and students receive diplomas with the seal of the illegally declared Kosovo republic.

According to data of the provincial education secretariat, in Kosovo there are 131 elementary schools whose principles were appointed by the Serbian education ministry. In only 31 of them, classes are held solely in the Serbian language, while in the remainder classes are also held in the Turkish and Albanian languages.

On the other hand, ethnic Albanian sources, which should be taken with a pinch of salt, say that in Kosovo there are 418 Albanian-language elementary schools with 312,000 ethnic Albanian pupils.

The ethnic Albanian sources also state that in the province there are 65 high schools attended by 56,920 ethnic Albanian pupils.

In elementary and high schools whose principles were appointed by the Serbian education ministry, employed are 544 Albanians mainly at administrative and auxiliary jobs, while only a few of them are teachers.

In the town of Pec, close to Pristina, an ethnic Albanian has for years been the head of the secretariat for social affairs. Ethnic Albanians are also employed in the provincial education secretariat and departments within the education ministry.

Judging by the latest reports, it seems that the issue of classes in the Albanian language will be raised once again quite soon in the interest both of ethnic Albanian pupils and their parents.

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Kosovo

Kosovo: Bukoshi Insists on Independence

AU2901101396 Zofingen RILINDJA in Albanian 24 Jan 96 p 1

[Statement by Bujar Bukoshi, prime minister of the Republic of Kosovo, date and place not given: "The Independence of Kosovo Is a Matter of the People's Survival"]

[FBIS Translated Text] The Government of the Republic of Kosovo, aware of the situation created by developments in Bosnia after the Dayton Agreement, expresses its gratitude to the international community and its forums for the role they have played in this process. It also praises the continual efforts of soldiers on the ground and their courageous dedication in a complicated situation. We express our trust that the international community will play the same role in approaching the very serious problem of Kosovo.

In the context of media speculation in connection with the future of one of the units of the former Yugoslav federation, the government of the republic strongly denies that it is aware of any agreement behind Kosovo's back. Within my competence as prime minister of this government, I assure the citizens of Kosovo that there is no truth of any kind in such assertions. The independence of Kosovo is not for negotiation. It is a matter of the people's survival.

On the other hand, while we declare that the government of the republic is not aware of any such agreement, this cannot exclude the possibility that various circles and individuals may have talked with various parties. Any dealings of this kind cannot and will not be considered legally relevant to the future of Kosovo. The government of Kosovo has a mandate to struggle for independence and will commit all its energies in this direction alone. Any other initiative will be considered ad hoc and unconstitutional. The people of Kosovo will not accept any kind of status under Serbian rule.

The Government of the Republic of Kosovo finally reassures the people of its stand that only there is nothing to win but independence and that only the people's will and nothing else will be respected. We can only achieve this if we unite and commit ourselves together. We were united in the referendum and will be united in implementing this referendum, states the public communique issued by Dr. Bujar Bukoshi, prime minister of the Republic of Kosovo.

Vojvodina

Vojvodina: Marjanovic Stresses Minority Rights

LD2901194496 Belgrade TANJUG in English 1858 GMT 29 Jan 96

[FBIS Transcribed Text] Novi Sad, Jan. 29 (TANJUG)--The Serbian government and its provincial executive council pay special attention to the life and work of national minorities, especially in the sphere of information and the publishing industry, Serbian Prime Minister Mirko Marjanovic said here on Monday.

During his visit to the publishing house "Forum" and paper MAGYAR SZO in Novi Sad, the capital of Vojvodina, Marjanovic said that inter-ethnic relations and national minority rights in Serbia are at the highest level, equal to the international standards.

Marjanovic added that Vojvodina, which has a large number of nationalities, sets an example as to how peoples should live and cooperate.

The northern province of Vojvodina has about two million inhabitants and about twenty nationalities, the largest being the Hungarian, with 330,000 people.

Marjanovic said that the Serbian government would do its utmost to improve the work of the Hungarian-language MAGYAR SZO paper and the publishing house Forum to the benefit of all members of the Hungarian national minority.

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